SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Cambria Sovereign High Yield Bond ETF and the Cambria Value and Momentum ETF Under NYSE Arca Equities Rule 8.600

July 28, 2015.

I. Introduction

On June 19, 2015, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder, a proposed rule change to list and trade shares (“Shares”) of the Cambria Sovereign High Yield Bond ETF and the Cambria Value and Momentum ETF (each a “Fund,” and collectively “Funds”) under NYSE Arca Equities Rule 8.600. The proposed rule change was published for comment in the Federal Register on July 2, 2015. On July 1, 2015, the Exchange filed Amendment No. 1 to the proposed rule change. The Commission received no comments on the proposed rule change. The Commission is publishing this notice to solicit comments on Amendment No. 1 from interested persons, and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

II. The Exchange’s Description of the Proposed Rule Change

The Exchange proposes to list and trade the Shares under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Shares will be offered by the Cambria ETF Trust (“Trust”), a Delaware statutory trust which is registered with the Commission as an open-end management investment company. Cambria Investment Management, L.P. (“Cambria” or the “Adviser”) will serve as the investment adviser of the Funds. SEI Investments Distribution Co. will be the principal underwriter and distributor of the Funds’ Shares. SEI Investments Global Funds Services (“SEI GFS”) will serve as the custodian and administrator of the Funds. Brown Brothers Harriman & Co. will serve as the custodian and transfer agent of the Funds’ assets.

Cambria Sovereign High Yield Bond ETF

The Exchange states that, under normal market conditions, at least 80% of the value of the Fund’s net assets (plus borrowings for investment purposes) will be invested in sovereign and quasi-sovereign high yield bonds (commonly known as “junk bonds”). For the purposes of this policy, sovereign and quasi-sovereign high yield bonds include exchange-traded funds (“ETFs”) and exchange-traded notes (“ETNs”) that invest in or have exposure to such bonds. The Fund will invest in emerging and developed countries, including countries located in the G–20 and other countries. Sovereign bonds include debt securities issued by a national government, instrumentality or political sub-division. Quasi-sovereign bonds include debt securities issued by a supra-national government or a state-owned enterprise or agency. The sovereign and quasi-sovereign bonds that the Fund will invest in may be denominated in local and foreign currencies. The Fund may invest in securities of any duration or maturity.

The Exchange states that the Fund may invest up to 20% of its net assets in money market instruments or other high quality debt securities, cash or cash equivalents, or ETFs and ETNs that invest in, or provide exposure to, such instruments or securities.

Cambria Value and Momentum ETF

The Exchange states that, under normal market conditions, at least 80% of the value of the Fund’s net assets will be invested in U.S. exchange-listed equity securities that are undervalued according to various valuation metrics. In attempting to avoid overvalued and downtrending markets, the Fund may use U.S. exchange-traded stock index futures or options thereon, or take short positions in ETFs to attempt to hedge the long equity portfolio during times when Cambria believes that the U.S. equity market is overvalued from a valuation standpoint, or Cambria’s models identify unfavorable trends and momentum in the U.S. equity market. The Fund may hedge up to 100% of the value of the Fund’s long portfolio using these strategies. During certain periods, including to collateralize the Fund’s investments in futures contracts, the Fund may invest up to 20% of the value...
of its net assets in U.S. dollar and non-U.S. dollar denominated money market instruments or other high quality debt securities, or ETFs that invest in these instruments. The Fund may invest in securities of companies in any industry, and will limit the maximum allocation to any particular sector.

Other Investments

According to the Exchange, while each Fund, under normal market conditions, will invest at least 80% of the value of its net assets (plus borrowings for investment purposes) in the securities and other assets described above, each Fund may invest its remaining assets in the securities and financial instruments described below.

A Fund may invest a portion of its assets in cash or cash items pending other investments or to maintain liquid assets required in connection with some of a Fund’s investments. A Fund may invest in corporate debt securities. A Fund may invest in commercial paper, master notes and other short-term corporate instruments that are denominated in U.S. dollars. A Fund may invest in the following types of debt securities in addition to those described above as principal investments: Securities issued or guaranteed by the U.S. Government, its agencies, instrumentalities, and political subdivisions; securities issued or guaranteed by foreign governments, their authorities, agencies, instrumentalities and political subdivisions; securities issued or guaranteed by supra-national agencies; corporations, and a national market system, and, in general, to protect investors and the public interest. The Commission notes that the Funds and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 for the Shares to be listed and traded on the Exchange.

The Commission finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act, which sets forth Congress’s finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for, and transactions in, securities. According to the Exchange, quotation and last-sale information for the Shares will be available via the Consolidated Tape Association high-speed line. In addition, the Intraday Indicative Value (“IV”), which is the Portfolio Indicative Value as defined in NYSE Arca Equities Rule 8.600(c)(3), will be widely dissemi-nated at least every 15 seconds during the Core Trading Session by one or more major market data vendors. The Cambria Sovereign High Yield Bond ETF may enter into forward foreign currency contracts.

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 and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act, which requires, among other things, that the Exchange’s rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission notes that the Funds and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 for the Shares to be listed and traded on the Exchange.

The Commission finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act, which sets forth Congress’s finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for, and transactions in, securities. According to the Exchange, quotation and last-sale information for the Shares will be available via the Consolidated Tape Association high-speed line. In addition, the Intraday Indicative Value (“IV”), which is the Portfolio Indicative Value as defined in NYSE Arca Equities Rule 8.600(c)(3), will be widely disseminated at least every 15 seconds during the Core Trading Session by one or more major market data vendors. On each business day, before commencement of trading in Shares in the Core Trading Session (as defined in NYSE Arca Equities Rule 7.34(a)(2)), each Fund will disclose on its Web site the Disclosed Portfolio (as defined in NYSE Arca Equities Rule 8.600(c)(2)) that will form the basis for such Fund’s calculation of NAV at the end of the business day. The NAV of each Fund will be calculated each business day by SEI GPS as of the close of regular trading on theNYSE, generally 4:00 p.m., Eastern Time on each day that the NYSE is open. A basket composition file, which will include the security names and share quantities required to be delivered in exchange for each Fund’s shares, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the New York Stock Exchange via the National Securities Clearing Corporation. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers’ computer screens and other electronic services.

Information regarding the previous day’s closing price and trading volume information for the Shares will be published daily in the financial section of newspapers. The Web site for the Funds will include a form of the prospectus for the Funds and additional data relating to NAV and other applicable quantitative information. The Commission further believes that the proposal to list and trade the Shares is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. The Commission notes that the Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio quotations for certain investments may not be updated during U.S. trading hours if such holdings do not trade in the U.S., except such quotations may be updated to reflect currency fluctuations.

On a daily basis, the Funds will disclose on their Web site the following information for each Fund regarding their portfolio holdings, as applicable to the type of holding: ticker symbol, CUSIP number or other identifier, if any; a description of the holding (including the type of holding, such as the type of swap); the identity of the security, commodity, index or other asset or instrument underlying the holding, if any; for options, the option strike price; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in a Fund’s portfolio. The Web site information will be publicly available at no charge.

10 The debt and other fixed income securities in which a Fund may invest include fixed and floating rate securities of any maturity.
will be made available to all market participants at the same time.\(^{18}\) In addition, trading in the Shares will be subject to NYSE Arca Equities Rule 8.600(d)[2][D], which sets forth circumstances under which Shares of a Fund may be halted. The Exchange may halt trading in the Shares if trading is not occurring in the securities and/or the financial instruments constituting the Disclosed Portfolio of a Fund, or if other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.\(^{19}\) Further, the Commission notes that the Reporting Authority that provides the Disclosed Portfolio of each Fund must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, non-public information regarding the actual composition of the portfolio.\(^{20}\) The Commission notes that the Financial Industry Regulatory Authority ("FINRA"), on behalf of the Exchange,\(^{21}\) will communicate as needed regarding trading in the Shares and any underlying common stocks, preferred stocks, Depositary Receipts, REITs, ETFs, ETNs, futures and options on futures with other markets and other entities that are members of the Intermarket Surveillance Group. FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares, ETFs, ETNs, futures and options on futures with other markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, common stocks, preferred stocks, Depositary Receipts, REITs, ETFs, ETNs, futures and options on futures from such markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange states that it has a general policy prohibiting the distribution of material, non-public information by its employees. The Exchange also states that the Adviser is not registered as a broker-dealer or affiliated with a broker-dealer. In the event (a) the Adviser or any sub-adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, the Exchange states that the Adviser will implement a fire wall with respect to its relevant personnel or broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

The Exchange represents that the Shares are deemed to be equity securities, thus rendering trading in the Shares subject to the Exchange’s existing rules governing the trading of equity securities.

In support of this proposal, the Exchange has made additional representations, including:

1. The Shares of each Fund will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.600.
2. The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.
3. Trading in the Shares will be subject to the existing trading surveillances, administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws and 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.
4. Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (a) the procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (b) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (c) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated Portfolio Indicative Value will not be calculated or publicly disseminated; (d) how information regarding the Portfolio Indicative Value and the Disclosed Portfolio is disseminated; (e) the requirement that Equity Trading Permit Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

5. For initial and/or continued listing, the Funds will be in compliance with Rule 10A–3 under the Act,\(^{22}\) as provided by NYSE Arca Equities Rule 5.3.

6. A minimum of 100,000 Shares of each Fund will be outstanding at the commencement of trading on the Exchange.

7. Not more than 10% of the net assets of a Fund in the aggregate invested in exchange-traded equity securities shall consist of equity securities whose principal market is not a member of the ISG or party to a CSSA with the Exchange.

This approval order is based on all of the Exchange’s representations.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, 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 No. 1

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 1 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–NYSEArca–2015–50 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–2015–50. 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

\(^{18}\) See NYSE Arca Equities Rule 8.600(d)[1][B].

\(^{19}\) See NYSE Arca Equities Rule 8.600(d)[2][C].

\(^{20}\) See NYSE Arca Equities Rule 8.600(d)[2][D](ii).\(^{21}\) The Exchange states that, while 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.

\(^{22}\) 17 CFR 240.10A–3.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.26

Robert W. Errett,
Deputy Secretary.

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SEcurities AND EXChange COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549–2736.

Extension:
Rule 17f–2(a), SEC File No. 270–34, OMB Control No. 3235–0034.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) ("PRA"), the Securities and Exchange Commission ("Commission") is soliciting comments on the existing collection of information provided for in Rule 17f–2(a) (17 CFR 240.17f–2(a)), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit the existing collection of information to the Office of Management and Budget ("OMB") for extension and approval. Rule 17f–2(a) (Fingerprinting Requirements for Securities Professionals) requires that securities professionals be fingerprinted. This requirement serves to identify security-risk personnel, to allow an employer to make fully informed employment decisions, and to deter possible wrongdoers from seeking employment in the securities industry. Partners, directors, officers, and employees of exchanges, brokers, dealers, transfer agents, and clearing agencies are included.

The Commission staff estimates that approximately 4,500 respondents will submit an aggregate total 300,700 new fingerprint cards each year or approximately 67 fingerprint cards per year per registrant. The staff estimates that the average number of hours necessary to complete a fingerprint card is one-half hour. Thus, the total estimated annual burden is 150,350 hours for all respondents (300,700 times one-half hour). The average internal labor cost of compliance per hour is approximately $283. Therefore, the total estimated annual internal labor cost of compliance for all respondents is $42,549,050 (150,350 times $283).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission’s estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number. Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: July 28, 2015.

Robert W. Errett,
Deputy Secretary.

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Extension:
Rule 17Ad–4(b) & (c); SEC File No. 270–264, OMB Control No. 235–0341.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) the Securities and Exchange Commission ("Commission") is soliciting comments on the existing collection of information provided for in the following rule: Rule 17Ad–4(b) & (c) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) ("Exchange Act"). The Commission plans to submit this existing collection of information to the