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October 18, 2017

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, to List and Trade Pursuant to NYSE Arca Rule 5.2-E(j)(3) Twelve Series of Investment Company Units; SR-NYSEArca-2017-56

Dear Mr. Fields:

The Investment Company Institute¹ is writing to express strong support for approving the NYSE Arca, Inc.'s proposal ("Proposal") to list and trade 12 series of Investment Company Units (the "Funds") listed pursuant to NYSE Arca Rule 5.2-E(j)(3).² Each Fund has been listed on NYSE Arca for more than eight years and tracks a broad-based and well diversified index of municipal bond securities that meet all but one element of NYSE Arca's generic listing rules applicable to Investment Company Units for fixed income security indexes.³

¹ The Investment Company Institute ("ICI") is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds, closed-end funds, and unit investment trusts in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI's members manage total assets of US\$20.5 trillion in the United States, serving more than 100 million US shareholders, and US\$6.7 trillion in assets in other jurisdictions. ICI carries out its international work through ICI Global, with offices in London, Hong Kong, and Washington, DC.

² Securities Exchange Act Release No. 81794 (October 2, 2017), available at <https://www.sec.gov/rules/sro/nysearca/2017/34-81794.pdf>.

³ The index underlying each of the Funds meets all of the applicable generic listing standards except the requirement that component fixed income securities representing at least 75 percent of the weight of a fixed-income index shall have a minimum original principal amount outstanding of \$100 million. See paragraph (a)(2) of Commentary .02 of NYSE Arca Rule 5.2-E(j)(3). NYSE Arca asserts that a fundamental purpose behind the minimum principal amount outstanding requirement is to ensure that component securities of an index are sufficiently liquid such that the potential for index manipulation is reduced. NYSE Arca further asserts that each index underlying the Funds is a broad-based index of fixed income municipal bond securities that is not readily susceptible to manipulation. In this regard, NYSE Arca emphasizes that each Fund index contains more than 1,400 securities, with no single security representing more than 2 percent of the

Mr. Brent J. Fields

October 18, 2017

Page 2 of 3

In response to the Commission's approval of continued listing requirements for exchange-traded funds, which become effective January 1, 2018, NYSE Arca filed the Proposal to establish alternate listing standards for the continued listing and trading of the Funds. According to NYSE Arca, if the Commission does not approve the Proposal before the continued listing requirements become effective, NYSE Arca must declare the Funds—which collectively represent almost \$22 billion in assets under management—below compliance and commence delisting proceedings.

NYSE Arca also notes that the Proposal is consistent and directly relevant to an order the Commission issued in January 2017 in which it determined that despite not meeting one of the applicable generic listing standards, the underlying index of a fund was “sufficiently broad-based to deter potential manipulation” and, thus the continued listing of the fund was consistent with the Securities Exchange Act of 1934.⁴ Furthermore, in the Proposal, NYSE Arca represents that the Funds will adhere to the same continued listing requirements that the Commission relied upon in issuing that order.

* * * *

We therefore believe that the continued listing and trading of the Funds is consistent with the requirements of the Securities Exchange Act and respectfully urge the Commission to promptly approve the Proposal to avoid delisting \$22 billion in Fund assets—a result that would be disruptive to the markets and extremely harmful to the Funds' shareholders. If you have any questions, please feel free to contact me directly at [REDACTED], Ken Fang, assistant general counsel, at [REDACTED], or Jane Heinrichs, associate general counsel, at [REDACTED].

Sincerely,

/s/ Dorothy Donohue

Dorothy Donohue
Acting General Counsel

cc: The Honorable Jay Clayton
The Honorable Kara M. Stein
The Honorable Michael S. Piwowar

Heather Seidel, Acting Director, Division of Trading and Markets
David Shillman, Associate Director, Division of Trading and Markets

weight of the index and no 5 securities in any index representing, in the aggregate, more than 6.25 percent of the weight of the index.

⁴ Securities Exchange Act Release No. 79767, 82 FR 4950 (January 17, 2017) (order approving the PowerShares Build America Bond Portfolio).

Mr. Brent J. Fields

October 18, 2017

Page 3 of 3

Elizabeth King, General Counsel and Corporate Secretary, NYSE

Douglas M. Yones, Head of Exchange Traded Products, NYSE