

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-91064; File No. SR-CboeBZX-2021-014)

February 4, 2021

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Amendment to Allow the Invesco Focused Discovery Growth ETF and Invesco Select Growth ETF (Each a “Fund” and, Collectively, the “Funds”), Each a Series of the Invesco Actively Managed Exchange-Traded Fund Trust (the “Trust”), to Strike and Publish Multiple Intra-day Net Asset Values (“NAVs”) and an End-of-Day NAV

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 22, 2021, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the 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

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule amendment to allow the Invesco Focused Discovery Growth ETF and Invesco Select Growth ETF (each a “Fund” and, collectively, the “Funds”), each a series of the Invesco Actively Managed Exchange-Traded Fund Trust (the “Trust”), to strike and publish multiple intra-day net asset values (“NAVs”) and an end-of-day NAV. The shares of each Fund (the “Shares”) would continue to comply with all of the listing standards set forth under Rule 14.11(m).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange's Office of the Secretary, 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 Exchange 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 these 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 aspects of such statements.

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

1. Purpose

The Exchange proposed and the Commission approved a rule to permit the listing and trading of the Shares of each Fund.³ On December 22, 2020, the Exchange commenced trading in the Shares of each Fund. The Exchange now proposes to continue listing and trading the Shares of each Fund pursuant to Rule 14.11(m) and to permit the Funds to strike and publish multiple intra-day NAVs and an end-of-day NAV. This proposal is designed to provide the marketplace with additional information about the Funds and their respective holdings and the Exchange believes it will allow market participants to better estimate the value each Fund's underlying holdings, assess their risk, and provide additional certainty around intra-day price and hedging for the Funds' shares.

³ See Securities Exchange Act Release No. 90684 (December 16, 2020) 85 FR 83637 (December 22, 2020) (SR-CboeBZX-2020-091) (the "Initial Filing").

The NAV represents the value of a fund's assets minus its liabilities divided by the number of shares outstanding and is used in valuing exchange-traded products ("ETPs"), including Tracking Fund Shares. By way of background, an ETP issues shares that can be bought or sold throughout the day in the secondary market at a market-determined price. Authorized participants that have contractual arrangements with the ETP (or its distributor) purchase and redeem ETP shares directly from the ETP in blocks called creation units at a price equal to the next NAV, and may then purchase or sell individual ETP shares in the secondary market at market-determined prices. ETPs trade at market prices, but the market price typically will be more or less than the fund's NAV per share due to a variety of factors, including the underlying prices of the ETP's assets and the demand for the ETP. Nonetheless, an ETP's market price is generally kept close to the ETP's end-of-day NAV because of the arbitrage function inherent to the structure of the ETP. An arbitrage opportunity is inherent in the ETP structure because the ETP's intra-day market price fluctuates during the trading day. Due to this fluctuation, the ETP's intra-day market price may not equal the ETP's end-of-day NAV. Authorized participants can arbitrage this difference (and make a profit) because they can trade directly with the ETP at NAV⁴ as well as on the market at market-determined prices. The expected result of the arbitrage activity is that the market value of the ETP moves back in line with the ETP's NAV per share and investors are able to buy ETP shares on an exchange that is close to the ETP's NAV per share. The arbitrage mechanism is important because it provides a means to maintain a close tie between market price and NAV per share of the ETP, thereby helping to ensure that ETP investors are treated equitably when buying and selling fund shares.

⁴ An open-end fund is required by law to redeem its securities on demand from shareholders at a price approximately the proportionate share of the fund's NAV at the time of redemption. See 15 U.S.C. 80a-22(d).

In order for the arbitrage mechanism described above to operate efficiently, market participants need to be able to estimate, with high accuracy, the value of the ETP's holdings, such that it can then observe instances when the value of such holdings, on a per-share basis, is higher or lower than the current trading price of the shares on an exchange. In the case of Tracking Fund Shares, the applicable ETP disseminates various information to achieve that goal, while not publishing a full list of fund holdings daily.⁵ In general, the more information that is available to assist the market participants in estimating the value of the fund's holdings, the better the arbitrage mechanism will operate with respect to the Tracking Fund Shares.

Generally, ETPs must calculate the NAV at least once every business day, which is typically done at market close (i.e., 4 p.m. ET).⁶ Indeed, Exchange Rules reference the fact that NAV of a series of Tracking Fund Shares is calculated at the end of the business day.⁷ Now, the Exchange is proposing to allow the Funds to strike and publish the NAV per Share for each of the Funds more than once daily.⁸

As noted in the Initial Filing, Shares of each of the Funds are offered by the Trust, which is registered with the Commission as an open-end investment company and has filed a

⁵ As noted in the Initial Filing, each Fund will disclose the Tracking Basket, which is designed to closely track the daily performance of the Fund Portfolio, on a daily basis. Each Fund will at a minimum publicly disclose the entirety of its portfolio holdings, including the name, identifier, market value and weight of each security and instrument in the portfolio within at least 60 days following the end of every fiscal quarter in a manner consistent with normal disclosure requirements otherwise applicable to open-end investment companies registered under the 1940 Act.

⁶ See 17 CFR 270.22c-1.

⁷ See Exchange Rule 14.11(m)(3)(B).

⁸ The Exchange's proposal is similar to functionality offered for other ETPs. For example, the prospectus for the Invesco Treasury Collateral ETF provides that the Fund is calculated at 12 p.m. and 4 p.m. ET every day the New York Stock Exchange ("NYSE") is open. See <http://hosted.rightprospectus.com/Invesco/Fund.aspx?cu=46138G888&dt=P&ss=ETF>.

registration statement on behalf of the Funds on Form N-1A with the Commission.⁹ The Exemptive Relief and Registration Statement provide that the Funds may calculate the NAV per Share more than once daily (e.g., at 12 p.m. ET and 4:00 p.m. ET), however, the Initial Filing did not seek to allow the Funds to calculate more than one NAV per day. Now, the Exchange is seeking approval to explicitly allow the Funds to strike and publish the NAV per Share more than once daily.

As explained above, the calculation of NAV provides the basis for arbitrage, which is an instrumental mechanism in ensuring ETP investors are treated equitably when buying and selling fund shares. The Funds seek to further reduce market participants' risk and to provide intra-day price certainty by striking and publishing its NAV more than once during each Business Day.¹⁰ Currently, and by way of example, the Fund anticipates it will strike a NAV once during normal trading at 12:00 p.m. ET (an "Intra-Day NAV") and again at the close of trading at 4:00 p.m. ET (the "End-of-Day NAV" and collectively, the "Published NAVs"); however, the Fund may strike and publish multiple Intra-Day NAVs. If a Fund strikes an Intra-Day NAV, market participants will have the choice of purchasing or redeeming Shares at either of the Published NAVs pursuant to the applicable purchase and redemption order processes and requirements, understanding that the Fund will always process purchase and sales consistent with the next NAV struck following the purchase or sale request. The Exchange believes that providing market participants with the

⁹ The Trust is registered under the 1940 Act. On September 25, 2020, the Trust filed post-effective amendments to its registration statement on Form N-1A relating to each Fund (File No. 811-22148) (the "Registration Statement"). The descriptions of the Funds and the Shares contained herein are based, in part, on information included in the Registration Statement. The Commission has issued an order granting certain exemptive relief to the Trust (the "Exemptive Relief") under the 1940 Act. See Investment Company Act of 1940 Release No. 34127 (December 2, 2020).

¹⁰ See the Exemptive Relief.

ability to create and redeem during the trading day, coupled with the information available to market participants, will reduce the risk that market participants face intra-day related to the possible divergence between the Tracking Basket¹¹ and the value of the Fund's underlying holdings, which should enable them to reduce spreads on Shares. Market participants will be able to "lock in" their creation and redemption transactions during the trading day at an Intra-Day NAV, and at the end of the trading day at the End-of-Day NAV. As proposed, the Funds will continue to meet all listings standards provided in Rule 14.11(m). The only change to the Funds that the Exchange is proposing is to allow the Funds to strike multiple Intra-Day NAVs. All other material representations contained within the Initial Filing remain true and will continue to constitute continued listing requirements for the Funds.

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act¹² in general and Section 6(b)(5) of the Act¹³ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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 in that the Shares of

¹¹ As defined in Rule 14.11(m)(3)(E), the term "Tracking Basket" means the identities and quantities of the securities and other assets included in a basket that is designed to closely track the daily performance of the Fund Portfolio, as provided in the exemptive relief under the Investment Company Act of 1940 applicable to a series of Tracking Fund Shares.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

each Fund will meet each of the continued listing criteria in BZX Rule 14.11(m), as provided in the Initial Filing.

The proposal to allow the Funds to strike and publish multiple intra-day NAVs will provide the marketplace with additional information related to each Fund's underlying holdings on an intraday basis, which the Exchange believes will allow market participants to better assess their risk and provide additional certainty around intra-day price and hedging. The Exchange believes that this additional information will reduce the risk that market participants face intra-day, which will encourage tighter spreads and deeper liquidity in Shares of the Funds, to the benefit of investors. The only change to the Funds that the Exchange is proposing is to allow the Funds to strike multiple Intra-Day NAVs. All other material representations contained within the Initial Filing remain true and will continue to constitute continued listing requirements for the Funds.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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, rather, will provide additional information to market participants thereby reducing market participants risk and intra-day price uncertainty which will allow the Fund to better compete in the marketplace, thus enhancing competition among both market participants and listing venues, 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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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 e-mail to rule-comments@sec.gov. Please include File Number SR-CboeBZX-2021-014 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-CboeBZX-2021-014. This file number should be included on the subject line if e-mail 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 website (<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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeBZX-2021-014 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

J. Matthew DeLesDernier
Assistant Secretary

¹⁴ 17 CFR 200.30-3(a)(12).