

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-75023; File No. SR-NYSEArca-2014-100)

May 21, 2015

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of Proposed Rule Change, as Modified by Amendment Nos. 1 and 2 Thereto, Relating to the Listing and Trading of Shares of the SPDR SSgA Global Managed Volatility ETF under NYSE Arca Equities Rule 8.600

I. Introduction

On September 5, 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 list and trade shares (“Shares”) of the SPDR SSgA Global Managed Volatility ETF (“Fund”) under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The proposed rule change was published for comment in the Federal Register on September 24, 2014.³ On November 4, 2014, pursuant to Section 19(b)(2) of the Act,⁴ 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.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 73141 (Sept. 18, 2014), 79 FR 57161 (“Notice”).

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 73515, 79 FR 66758 (Nov. 10, 2014). The Commission designated a longer period within which to take action on the proposed rule change and designated December 23, 2014, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

On December 22, 2014, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ In the Order Instituting Proceedings, the Commission solicited responses to specified matters related to the proposal.⁸ The Commission received no comment letters on the proposed rule change.

The Exchange subsequently filed Amendment No. 1 to the proposed rule change on January 20, 2015.⁹ On March 20, 2015, pursuant to Section 19(b)(2) of the Act,¹⁰ the Commission designated a longer period for Commission action on proceedings to determine whether to disapprove the proposed rule change.¹¹ On April 7, 2015, the Exchange filed

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 73914, 79 FR 78524 (Dec. 30, 2014) (“Order Instituting Proceedings”). Specifically, the Commission instituted proceedings to allow for additional analysis of the proposed rule change’s consistency with 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.” See id., 79 FR at 78530.

⁸ See id. (soliciting public comment on the statements of the Exchange contained in the Notice, including statements made in connection with information sharing procedures with respect to certain non-U.S. equity security holdings and the Exchange’s arguments regarding the applicability of the definition of “Actively-Traded Securities” under Regulation M (“Reg M”).

⁹ The text of Amendment No. 1, which amends and replaces the proposed rule change in its entirety, is available on the Exchange’s website, at the principal office of the Exchange, and at the Commission’s Public Reference Room. The text of Amendment No. 1 to the proposed rule change is also available on the Commission’s website. See Letter from Martha Redding, Senior Counsel and Assistant Secretary, New York Stock Exchange, to Kevin M. O’Neill, Deputy Secretary, Commission (Jan. 22, 2015), available at <http://www.sec.gov/comments/sr-nysearca-2014-100/nysearca2014100-1.pdf>.

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ See Securities Exchange Act Release No. 74559, 80 FR 16047 (Mar. 26, 2015). The Commission designated a longer period within which to take action on the proposed rule change and designated May 7, 2015 as the date by which it should determine whether to disapprove the proposed rule change. See also Securities Exchange Act Release

Amendment No. 2 to the proposed rule change.¹² The Commission published a Notice of Filing of Amendment Nos. 1 and 2 to the proposed rule change for comment in the Federal Register on April 21, 2014.¹³ The Commission received no comments on the proposal, as modified by Amendment Nos. 1 and 2 thereto.

This order grants approval of the proposed rule change, as modified by Amendment Nos. 1 and 2 thereto.

II. Description of the Proposal, as Modified by Amendment Nos. 1 and 2 Thereto

NYSE Arca proposes to list and trade Shares of the Fund under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange. The Shares will be offered by SSgA Active ETF Trust (“Trust”), which is organized as a Massachusetts business trust and is registered with the Commission as an open-end management investment company.¹⁴ SSgA Funds Management, Inc. will serve as the investment adviser to the Fund (“Adviser”).¹⁵ State Street Global Markets, LLC will be the principal underwriter and

No. 74559A (Apr. 13, 2015) (correcting the date by which the Commission must take action on proceedings to determine whether to disapprove the proposed rule change to May 22, 2015).

¹² See Amendment No. 2, available at <http://www.sec.gov/comments/sr-nysearca-2014-100/nysearca2014100-2.pdf>.

¹³ See Securities Exchange Act Release No. 74729 (Apr. 15, 2015), 80 FR 22242.

¹⁴ The Trust is registered under the Investment Company Act of 1940 (“1940 Act”). According to the Exchange, on September 20, 2012, the Trust filed with the Commission an amendment to its registration statement on Form N-1A under the Securities Act of 1933 (“Securities Act”) and under the 1940 Act relating to the Fund (File Nos. 333-173276 and 811-22542) (“Registration Statement”). In addition, the Exchange states that the Trust has obtained from the Commission certain exemptive relief under the 1940 Act. See Investment Company Act Release No. 29524 (Dec. 13, 2010) (File No. 812-13487).

¹⁵ The Exchange represents that the Adviser is not a registered broker-dealer but is affiliated with a broker-dealer and has implemented a “fire wall” with respect to such broker-dealer regarding access to information concerning the composition of or changes to the Fund’s portfolio. The Exchange further represents that, in the event (a) the Adviser or any sub-adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or

distributor of the Fund's Shares, and State Street Bank and Trust Company ("Custodian") will serve as the administrator, custodian, and transfer agent for the Fund. The Exchange has made the following representations and statements in describing the Fund and its investment strategy, including the Fund's portfolio holdings and investment restrictions.¹⁶

A. The Exchange's Description of the Fund's Principal Investment Policies

According to the Exchange, the Fund will seek to provide competitive, long-term returns while maintaining low, long-term volatility relative to the broad global market. Under normal circumstances,¹⁷ the Fund will invest all of its assets in the SSgA Global Managed Volatility Portfolio ("Portfolio"), a separate series of the SSgA Master Trust with an identical investment objective as the Fund. As a result, the Fund will invest indirectly through the Portfolio.¹⁸

(b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, the Adviser or any new adviser or sub-adviser, as the case may be, will implement a fire wall with respect to its relevant personnel or 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.

¹⁶ The Commission notes that additional information regarding the Fund, the Trust, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, calculation of net asset value ("NAV"), distributions, and taxes, among other things, can be found in Amendment No. 1 and the Registration Statement, as applicable. See Amendment No. 1 and Registration Statement, supra notes 9 and 14, respectively.

¹⁷ With respect to the Fund, the term "under normal circumstances" includes, but is not limited to, the absence of extreme volatility or trading halts in the equity 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.

¹⁸ According to the Exchange, the Fund is intended to be managed in a "master-feeder" structure, under which the Fund will invest substantially all of its assets in the Portfolio (i.e., a "master fund"), which is a separate 1940 Act-registered mutual fund that has an identical investment objective. As a result, the Fund (i.e., the "feeder fund") will have an indirect interest in all of the securities owned by the corresponding Portfolio. Because of this indirect interest, the Fund's investment returns should be the same as those of the

According to the Exchange, the Adviser will utilize a proprietary quantitative investment process to select a portfolio of exchange-listed-and-traded equity securities that the Adviser believes will exhibit low volatility and provide competitive, long-term returns relative to the broad global market.¹⁹ The Portfolio will invest its assets in both U.S. and foreign investments. The Portfolio will generally invest at least 80% of its net assets in global equity securities and at least 30% of its net assets in global equity securities of issuers economically tied to countries other than the United States. The Portfolio will generally hold securities of issuers economically tied to at least three countries, including the United States.²⁰ The Portfolio may purchase

Portfolio, adjusted for the expenses of the Fund. The Exchange represents that, in general, the Portfolio, which will be where investments will be held, will primarily consist of equity securities and, to a lesser extent, other investments as described under “Non-Principal Investment Policies” below. The Fund will invest in shares of the Portfolio and will not invest in investments described under “Non-Principal Investment Policies,” but may be exposed to such investments by means of the Fund’s investment in shares of the Portfolio. The Exchange states that in extraordinary instances, the Fund reserves the right to make direct investments in equity securities and other investments.

¹⁹ Volatility is a statistical measurement of the magnitude of up and down fluctuations in the value of a financial instrument or index over time. Volatility may result in rapid and dramatic price swings.

²⁰ Investments in common stock of foreign corporations may also be in the form of American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”), and European Depositary Receipts (“EDRs”) (collectively “Depositary Receipts”). Depositary Receipts are receipts, typically issued by a bank or trust company, that evidence ownership of underlying securities issued by a foreign corporation. For ADRs, the depository is typically a U.S. financial institution, and the underlying securities are issued by a foreign issuer. For other Depositary Receipts, the depository may be a foreign or a U.S. entity, and the underlying securities may have a foreign or a U.S. issuer. Depositary Receipts will not necessarily be denominated in the same currency as their underlying securities. Generally, ADRs, in registered form, are designed for use in the U.S. securities market, and EDRs, in bearer form, are designated for use in European securities markets. GDRs are tradable both in the United States and in Europe and are designed for use throughout the world. The Portfolio may invest in unsponsored Depositary Receipts. The issuers of unsponsored Depositary Receipts are not obligated to disclose material information in the United States, and, therefore, there may be less information available regarding such issuers, and there may not be a correlation between such information and the market value of the Depositary Receipts. Unsponsored Depositary Receipts will not exceed 10% of the Fund’s net assets.

exchange-listed-and-traded common stocks and preferred securities of U.S. and foreign corporations (referred to herein as “non-U.S. equity securities”).²¹ Under normal circumstances, the Portfolio will include a minimum of 20 exchange-listed-and-traded equity securities. The Adviser expects to favor securities with low exposure to market risk factors and low security-specific risk. The Adviser will consider market risk factors to include, among others, a security’s size, momentum, value, liquidity, leverage, and growth. While the Adviser will attempt to manage the Fund’s volatility exposure to stabilize performance, there can be no guarantee that the Fund will reach its target volatility. Additionally, the Adviser will implement risk constraints at the security, industry, size exposure, and sector levels. Through this quantitative process of security selection and portfolio diversification, the Adviser expects that the Portfolio will be subject to a low level of absolute risk (as defined by standard deviation of returns) and thus should exhibit low volatility over the long term.

The Adviser will manage the investments of the Portfolio. Under the master-feeder arrangement, and pursuant to the investment advisory agreement between the Adviser and the Trust, investment advisory fees charged at the Portfolio level will be deducted from the advisory fees charged at the Fund level. This arrangement avoids a “layering” of fees, *i.e.*, the Fund’s total annual operating expenses would be no higher as a result of investing in a master-feeder arrangement than they would be if the Fund pursued its investment objectives directly. In addition, the Fund may discontinue investing through the master-feeder arrangement and pursue its investment objectives directly if the Fund’s Board of Trustees (“Board”) determines that doing so would be in the best interests of shareholders.

²¹ For purposes of this filing, the term “non-U.S. equity securities” includes the following: common stocks and preferred securities of foreign corporations; non-U.S. exchange-traded real estate investment trusts (“REITs”), as referenced below; and Depositary Receipts (excluding Depositary Receipts that are registered under the Act).

Under normal circumstances, the non-U.S. equity securities in the Fund's portfolio will meet the following criteria at time of purchase: (1) non-U.S. equity securities each shall have a minimum market value of at least \$100 million; (2) non-U.S. equity securities each shall have a minimum global monthly trading volume of 250,000 shares, or minimum global notional volume traded per month of \$25,000,000, averaged over the last six months; (3) the most heavily weighted non-U.S. equity security shall not exceed 25% of the weight of the Fund's entire portfolio, and, to the extent applicable, the five most heavily weighted non-U.S. equity securities shall not exceed 60% of the weight of the Fund's entire portfolio; and (4) each non-U.S. equity security shall be listed and traded on an exchange that has last-sale reporting.²²

The Portfolio and Fund do not intend to concentrate their investments in any particular industry. The Portfolio and Fund will look to the Global Industry Classification Standard ("GICS") Level 3 (Industries) in making industry determinations.²³

The Portfolio may invest in exchange-traded preferred securities. Preferred securities pay fixed or adjustable rate dividends to investors and have "preference" over common stock in the payment of dividends and the liquidation of a company's assets.

B. The Exchange's Description of the Fund's Non-Principal Investment Policies

In certain situations or market conditions, in order to take temporary defensive positions, the Fund may (either directly or through the Portfolio) temporarily depart from its normal investment policies and strategies, provided that the alternative is consistent with the Fund's investment objective and is in the best interest of the Fund. For example, the Fund may hold a

²² These criteria are similar to certain "generic" listing criteria in NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(B), which relate to criteria applicable to an index or portfolio of U.S. and non-U.S. stocks underlying a series of Investment Company Units to be listed and traded on the Exchange pursuant to Rule 19b-4(e) under the Act.

²³ GICS classifications can be found on the Standard & Poor's website at <http://www.us.spindices.com/search/?query=gics+map>.

higher than normal proportion of its assets in cash in times of extreme market stress. According to the Exchange, in addition to the principal investments described above, the Portfolio may invest its remaining net assets in other investments, as described below. The investment practices of the Portfolio are the same in all material respects as those of the Fund.

The Portfolio may invest in U.S. Government obligations²⁴ and U.S.-registered, dollar-denominated bonds of foreign corporations, governments, agencies, and supra-national entities. The Portfolio also may invest in restricted securities.²⁵

²⁴ U.S. Government obligations are a type of bond. U.S. Government obligations include securities issued or guaranteed as to principal and interest by the U.S. Government or its agencies or instrumentalities. One type of U.S. Government obligation, U.S. Treasury obligations, are backed by the full faith and credit of the U.S. Treasury and differ only in their interest rates, maturities, and times of issuance. U.S. Treasury bills have initial maturities of one-year or less; U.S. Treasury notes have initial maturities of one to ten years; and U.S. Treasury bonds generally have initial maturities of greater than ten years. Other U.S. Government obligations are issued or guaranteed by agencies or instrumentalities of the U.S. Government including, but not limited to, the Federal National Mortgage Association, the Government National Mortgage Association (“Ginnie Mae”), the Small Business Administration, the Federal Farm Credit Administration, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Banks, Banks for Cooperatives (including the Central Bank for Cooperatives), the Federal Land Banks, the Federal Intermediate Credit Banks, the Tennessee Valley Authority, the Export-Import Bank of the United States, the Commodity Credit Corporation, the Federal Financing Bank, the National Credit Union Administration, and the Federal Agricultural Mortgage Corporation. Some obligations issued or guaranteed by U.S. Government agencies or instrumentalities, including, for example, Ginnie Mae pass-through certificates, are supported by the full faith and credit of the U.S. Treasury.

²⁵ Restricted securities are securities that are not registered under the Securities Act, but which can be offered and sold to “qualified institutional buyers” under Rule 144A under the Securities Act. The Board has delegated to the Adviser the responsibility for determining the liquidity of Rule 144A restricted securities that the Portfolio may invest in. 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 in which it trades (e.g., the time needed to dispose of the security, the method of soliciting offers, and the mechanics of transfer).

The Portfolio may conduct foreign currency transactions on a spot (i.e., cash) or forward basis (i.e., by entering into forward contracts to purchase or sell foreign currencies).

The Portfolio may invest in exchange-traded products (“ETPs”), including exchange-traded funds (“ETFs”) registered under the 1940 Act, exchange-traded commodity trusts, and exchange-traded notes.²⁶ The Portfolio also may invest in the securities of other investment companies, including money market funds and exchange-traded closed-end funds, subject to applicable limitations under Section 12(d)(1) of the 1940 Act.²⁷ The Portfolio may invest up to 25% of its total assets in one or more ETPs that are qualified publicly traded partnerships

²⁶ For purposes of this filing, ETPs include Investment Company Units (as described in NYSE Arca Equities Rule 5.2(j)(3)); Index-Linked Securities (as described in NYSE Arca Equities Rule 5.2(j)(6)); Portfolio Depositary Receipts (as described in NYSE Arca Equities Rule 8.100); Trust Issued Receipts (as described in NYSE Arca Equities Rule 8.200); Commodity-Based Trust Shares (as described in NYSE Arca Equities Rule 8.201); Currency Trust Shares (as described in NYSE Arca Equities Rule 8.202); Commodity Index Trust Shares (as described in NYSE Arca Equities Rule 8.203); and Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600). The Portfolio may invest in ETFs managed by the Adviser. The Adviser may receive management or other fees from the ETPs in which the Portfolio or Fund may invest, as well as a management fee for managing the Fund. The ETPs all will be listed and traded in the U.S. on national securities exchanges.

²⁷ The Fund will invest substantially all of its assets in the Portfolio. The Exchange states that, pursuant to Section 12(d)(1) of the 1940 Act, a fund may invest in the securities of another investment company (the “acquired company”) provided that the fund, immediately after such purchase or acquisition, does not own in the aggregate: (i) more than 3% of the total outstanding voting stock of the acquired company; (ii) securities issued by the acquired company having an aggregate value in excess of 5% of the value of the total assets of the fund; (iii) securities issued by the acquired company and all other investment companies (other than Treasury stock of the fund) having an aggregate value in excess of 10% of the value of the total assets of the fund; or (iv) in the case of investment in a closed-end fund, more than 10% of the total outstanding voting stock of the acquired company. The Fund may also invest in the securities of other investment companies if such securities are the only investment securities held by the Fund, such as through a master-feeder arrangement. The Fund currently will pursue its investment objective through such an arrangement. To the extent allowed by law, regulation, the Fund’s investment restrictions, and the Trust’s exemptive relief, the Fund may invest its assets in securities of investment companies that are money market funds, including those advised by the Adviser or otherwise affiliated with the Adviser, in excess of the limits discussed above.

(“QPTPs”)²⁸ and whose principal activities are the buying and selling of commodities or options, futures, or forwards with respect to commodities. The Portfolio may invest in exchange-traded shares of REITs.

The Portfolio may invest in repurchase agreements with commercial banks, brokers, or dealers to generate income from its excess cash balances and to invest securities lending cash collateral.²⁹ The Portfolio may also enter into reverse repurchase agreements.³⁰

In addition to repurchase agreements, the Portfolio may invest in short-term instruments, including money market instruments (including money market funds advised by the Adviser), cash, and cash equivalents, on an ongoing basis to provide liquidity or for other reasons.³¹

²⁸ A QPTP is an entity that is treated as a partnership for federal income tax purposes, subject to certain requirements. If such an ETP fails to qualify as a QPTP, the income generated from the Portfolio’s investment in the ETP may not comply with certain income tests necessary for the Portfolio to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code.

²⁹ A repurchase agreement is an agreement under which a fund acquires a financial instrument (e.g., a security issued by the U.S. government or an agency thereof, a banker’s acceptance, or a certificate of deposit) from a seller, subject to resale to the seller at an agreed upon price and date (normally, the next business day). A repurchase agreement may be considered a loan collateralized by securities. The resale price reflects an agreed upon interest rate effective for the period the instrument is held by a fund and is unrelated to the interest rate on the underlying instrument.

³⁰ Reverse repurchase agreements involve the sale of securities with an agreement to repurchase the securities at an agreed-upon price, date, and interest payment, and have the characteristics of borrowing.

³¹ Money market instruments are generally short-term investments that may include but are not limited to: (i) shares of money market funds; (ii) obligations issued or guaranteed by the U.S. government, its agencies, or its instrumentalities (including government-sponsored enterprises); (iii) negotiable certificates of deposit, bankers’ acceptances, fixed time deposits, and other obligations of U.S. and foreign banks (including foreign branches) and similar institutions; (iv) commercial paper rated at the date of purchase “Prime-1” by Moody’s or “A-1” by Standard & Poor’s, or if unrated, of comparable quality as determined by the Adviser; (v) non-convertible corporate debt securities (e.g., bonds and debentures) with remaining maturities at the date of purchase of not more than 397 days and that satisfy the rating requirements set forth in Rule 2a-7 under the 1940 Act; (vi) short-term U.S. dollar-denominated obligations of foreign banks (including U.S.

C. The Exchange's Description of the Fund's Investment Restrictions

According to the Exchange, the Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Adviser. The Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of the Fund's net assets are held in illiquid assets. Illiquid assets include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets as determined in accordance with Commission staff guidance.

The Exchange represents that the Portfolio and the Fund will be classified as a "non-diversified" investment company under the 1940 Act. A non-diversified classification means that the Portfolio or Fund is not limited by the 1940 Act with regard to the percentage of its assets that may be invested in the securities of a single issuer. This means that the Portfolio or Fund may invest a greater portion of its assets in the securities of a single issuer than a diversified fund. Although the Portfolio and Fund will be non-diversified for purposes of the 1940 Act, the Portfolio and Fund intend to maintain the required level of diversification and otherwise conduct its operations so as to qualify as a "regulated investment company" for purposes of the Internal Revenue Code of 1986.

The Exchange represents that neither the Fund nor the Portfolio will invest in options, futures contracts, or swap agreements. The Exchange further represents that the Fund's and

branches) that, in the opinion of the Adviser, are of comparable quality to obligations of U.S. banks which may be purchased by the Portfolio; and (vii) variable rate demand notes.

Portfolio's investments will be consistent with the Fund's investment objective and will not be used to enhance leverage.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares is consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange.³² In particular, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1 and 2 thereto, is consistent with Section 6(b)(5) of the Exchange Act,³³ 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 also finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Exchange Act,³⁴ which sets forth the finding of Congress 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. Quotation and last-sale information for the Shares will be available via the Consolidated Tape Association ("CTA") high-speed line. In addition, the Indicative Optimized Portfolio Value ("IOPV"),³⁵

³² 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).

³³ 15 U.S.C. 78f(b)(5).

³⁴ 15 U.S.C. 78k-1(a)(1)(C)(iii).

³⁵ The IOPV calculation will be an estimate of the value of the Fund's NAV per Share using market data converted into U.S. dollars at the current currency rates. The IOPV price will be based on quotes and closing prices from the securities' local market and may not reflect events that occur subsequent to the local market's close. Premiums and discounts

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 Exchange’s Core Trading Session by one or more major market data vendors.³⁶ On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Fund will disclose on its website the Disclosed Portfolio that will form the basis for the Fund’s calculation of NAV at the end of the business day.³⁷ In addition, a basket composition file, which includes the security names and share quantities required to be delivered in exchange for the 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 (“NYSE”) via the National Securities Clearing Corporation. The basket represents one Creation Unit of the Fund.

The NAV of the Portfolio will be calculated by the Custodian and determined at the close of the regular trading session on the NYSE (ordinarily 4:00 p.m. Eastern time) on each day that the NYSE is open, provided that fixed-income assets (and, accordingly, the Portfolio’s NAV) may be valued as of the announced closing time for trading in fixed-income instruments on any day that the Securities Industry and Financial Markets Association (or applicable exchange or

between the IOPV and the market price of the Shares may occur. The IOPV should not be viewed as a “real-time” update of the NAV per Share of the Fund, which will be calculated only once a day.

³⁶ According to the Exchange, several major market data vendors display and make widely available IOPVs taken from CTA or other data feeds.

³⁷ On a daily basis, the Fund will disclose for each portfolio security or other financial instrument of the Fund and of the Portfolio the following information on the Fund’s website: ticker symbol (if applicable); name of security and financial instrument; number of shares and dollar value of financial instruments held in the portfolio; and percentage weighting of the security and financial instrument in the portfolio. The website information will be publicly available at no charge.

market on which the Portfolio's investments are traded) announces an early closing time.³⁸

Information regarding market price and trading volume of the Shares will be continuously available on a real-time basis throughout the day on brokers' computer screens and other

³⁸ The NAV per Share for the Fund will be computed by dividing the value of the net assets of the Portfolio (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding, rounded to the nearest cent. According to the Exchange, common stocks and exchange-traded equity securities (including shares of preferred securities, ETPs, closed-end funds, QPTPs, REITs, and Depositary Receipts (other than unsponsored Depositary Receipts traded in the OTC market) traded on a national securities exchange generally will be valued at the last reported sale price or the official closing price on that exchange where the stock is primarily traded on the day that the valuation is made. Foreign exchange-traded equities and listed ADRs will be valued at the last sale or official closing price on the relevant exchange on the valuation date. If, however, neither the last sale price nor the official closing price is available, each of these securities will be valued at either the last reported sale price or official closing price as of the close of regular trading of the principal market on which the security is listed. According to the Exchange, securities of investment companies (other than ETFs registered under the 1940 Act), including affiliated funds, money market funds, and closed-end funds, will be valued at NAV. Unsponsored Depositary Receipts, which are traded in the OTC market, will be valued at the last reported sale price from the OTC Bulletin Board or OTC Link LLC on the valuation date. Rule 144A securities, repurchase agreements, and reverse repurchase agreements will generally be valued at bid prices received from independent pricing services as of the announced closing time for trading in such instruments. Spot currency transactions will generally be valued at bid prices received from independent pricing service converted into U.S. dollars at current market rates on the date of valuation. Foreign currency forwards normally will be valued on the basis of quotes obtained from broker-dealers or third party pricing services. According to the Exchange, fixed income securities, including U.S. Government obligations; U.S. registered, dollar-denominated bonds of foreign corporations, governments, agencies; and supra-national entities; and short-term instruments will generally be valued at bid prices received from independent pricing services as of the announced closing time for trading in fixed-income instruments in the respective market or exchange. In determining the value of a fixed income investment, pricing services determine valuations for normal institutional-size trading units of such securities using valuation models or matrix pricing, which incorporates yield and/or price with respect to bonds that are considered comparable in characteristics such as rating, interest rate, and maturity date and quotations from securities dealers to determine current value. Any assets or liabilities denominated in currencies other than the U.S. dollar will be converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources. In the event that current market valuations are not readily available or such valuations do not reflect current market value, the SSgA Master Trust's procedures require the Pricing and Investment Committee to determine a security's fair value if a market price is not readily available, in accordance with the 1940 Act.

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 Exchange represents that, with respect to U.S. exchange-listed equity securities, the intra-day, closing and settlement prices of common stocks and exchange-traded equity securities (including shares of preferred securities, ETPs, closed-end funds, QPTPs, REITs, and U.S. exchange-listed Depositary Receipts) will be readily available from the national securities exchanges trading such securities, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. With respect to non-U.S. exchange-listed equity securities, intra-day, closing, and settlement prices of common stocks and other equity securities (including shares of preferred securities and non-U.S. Depositary Receipts) will be available from the foreign exchanges on which such securities trade as well as from major market-data vendors. Pricing information regarding each asset class in which the Fund or Portfolio will invest, including Rule 144A securities, repurchase agreements, reverse repurchase agreements, and securities of investment companies (other than ETFs registered under the 1940 Act), will generally be available through nationally recognized data service providers through subscription arrangements. Quotation information from brokers and dealers or pricing services will be available for fixed income securities, including U.S. Government obligations; U.S. registered, dollar-denominated bonds of foreign corporations, governments, agencies, and supra-national entities; short-term instruments; unsponsored Depositary Receipts; and spot and forward currency transactions held by the Fund and Portfolio.

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 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 will be made available to all market participants at the same time.

Trading in Shares of the Fund will be halted if the circuit-breaker parameters in NYSE Arca Equities Rule 7.12 have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.³⁹ 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 the Fund may be halted.

The Exchange represents that it has a general policy prohibiting the distribution of material, non-public information by its employees.

The Exchange represents that the Adviser is not a registered broker-dealer but is affiliated with a broker-dealer and has implemented a “fire wall” with respect to that broker-dealer regarding access to information concerning the composition or changes to the Fund’s portfolio.⁴⁰

³⁹ These may include: (1) the extent to which trading is not occurring in the securities or the financial instruments constituting the Disclosed Portfolio of the Fund; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

⁴⁰ See supra note 15. The Exchange represents that an investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (“Advisers Act”). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares. The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.⁴¹

The Exchange represents that it deems the Shares 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 also made the following representations:

- (1) The Shares 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.

implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

⁴¹ The Exchange states that 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.

- (4) FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, ETPs, and certain exchange-traded securities underlying the Shares with other markets and other entities that are members of the Intermarket Surveillance Group (“ISG”), and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares, ETPs and certain exchange-traded securities underlying the Shares from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, ETPs, and certain exchange-traded securities underlying the Shares from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.⁴² The Exchange states that FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA’s Trade Reporting and Compliance Engine.
- (5) Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in a Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (i) the procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (ii) 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; (iii) the risks involved in trading the Shares during the

⁴² For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of the Disclosed Portfolio for the Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

Opening and Late Trading Sessions when an updated Portfolio Indicative Value will not be calculated or publicly disseminated; (iv) how information regarding the Portfolio Indicative Value and the Disclosed Portfolio is disseminated; (v) 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 (vi) trading information.

- (6) For initial and continued listing, the Fund will be in compliance with Rule 10A-3 under the Act,⁴³ as provided by NYSE Arca Equities Rule 5.3.
- (7) The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), including Rule 144A restricted securities deemed illiquid by the Adviser.
- (8) Neither the Fund nor the Portfolio will invest in options, futures contracts, or swap agreements.
- (9) The Fund's and Portfolio's investments will be consistent with its investment objective and will not be used to enhance leverage.
- (10) Under normal circumstances, the non-U.S. equity securities in the Fund's portfolio will meet the following criteria at time of purchase: (a) non-U.S. equity securities each shall have a minimum market value of at least \$100 million; (b) non-U.S. equity securities each shall have a minimum global monthly trading volume of 250,000 shares, or minimum global notional volume traded per month of \$25,000,000, averaged over the last six months; (c) the most heavily weighted non-U.S. equity security shall not exceed 25% of the weight of the Fund's entire

⁴³ 17 CFR 240.10A-3.

portfolio, and, to the extent applicable, the five most heavily weighted non-U.S. equity securities shall not exceed 60% of the weight of the Fund's entire portfolio; and (d) each non-U.S. equity security shall be listed and traded on an exchange that has last-sale reporting. In addition, under normal circumstances, the Portfolio will include a minimum of 20 exchange-listed and traded equity securities.

- (11) The Portfolio and Fund do not intend to concentrate their investments in any particular industry. The Portfolio and Fund will look to the GICS Level 3 (Industries) standard in making industry determinations.
- (12) Not more than 10% of the net assets of the Fund will be invested in unsponsored ADRs.
- (13) A minimum of 100,000 Shares for the Fund will be outstanding at the commencement of trading on the Exchange.

This approval order is based on all of the Exchange's representations, including those set forth above and in the Notice, Amendment Nos. 1 and 2 to the proposed rule change, and the Exchange's description of the Fund. The Commission notes that the Fund and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 to be initially and continuously listed and traded on the Exchange.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1 and 2 thereto, is consistent with Section 6(b)(5) of the Act⁴⁴ and the rules and regulations thereunder applicable to a national securities exchange.

⁴⁴ 15 U.S.C. 78f(b)(5).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,⁴⁵ that the proposed rule change (SR-NYSEArca-2014-100), as modified by Amendment Nos. 1 and 2 thereto, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁶

Robert W. Errett
Deputy Secretary

⁴⁵ 15 U.S.C. 78s(b)(2).

⁴⁶ 17 CFR 200.30-3(a)(12).