



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

July 3, 2013

Via Facsimile & U.S. Mail
W. John McGuire, Esq.
Bingham McCutchen LLP
2020 K Street NW
Washington, DC 20006-1806

**Re: SSgA Active ETF Trust
Request for Exemptive and No-Action Relief Under Rule 14e-5**

Dear Mr. McGuire:

We are responding to your letter requesting exemptive and no-action relief dated July 3, 2013 and addressed to Michele M. Anderson and David L. Orlic as supplemented by telephone conversations with the staff. To avoid having to recite or summarize the facts set forth in your letter, our response is attached to the enclosed photocopy of your correspondence. Unless otherwise noted, capitalized terms in this letter have the same meaning as in your July 3, 2013 correspondence.

On the basis of the representations made and the facts presented in your July 3, 2013 letter, the U.S. Securities and Exchange Commission ("Commission") hereby grants an exemption from Rule 14e-5 under the Securities Exchange Act of 1934. The exemption from Rule 14e-5 permits any person acting as a dealer-manager of a tender offer for a security contained in a Creation Basket or Redemption Basket to either redeem Shares of the Fund in "creation unit" size aggregations to the Fund for a Redemption Basket that may include a security subject to the tender offer and/or purchase the Shares of a Fund in the secondary market during such tender offer.

In addition, on the basis of the representations made and the facts presented in your July 3, 2013 letter, the staff of the Division of Corporation Finance will not recommend that the Commission take enforcement action under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a Portfolio Security held by the Fund purchases or arranges to purchase shares of such Portfolio Security in the secondary market for the purpose of tendering them to purchase one or more Creation Units of Shares of the Fund, as described in your letter.

In granting this relief, we note in particular that:

- any bids, purchases or redemptions by dealer-managers would not be effected for the purpose of facilitating a tender offer;

- any purchases of a Portfolio Security by a dealer-manager during a tender offer will be effected as adjustments to a basket of securities in the ordinary course of business as a result of the composition of the Fund's portfolio; and
- except for the relief specifically granted herein, any person acting as a dealer-manager of a tender offer will comply with Rule 14e-5.

The foregoing exemptive and no-action relief is based solely on the representations and the facts presented in your letter, as supplemented by telephone conversations with the Commission staff. The relief granted is strictly limited to the application of the rule listed above to the transactions described in your letter. You should discontinue these transactions pending further consultations with the staff if any of the facts or representations set forth in your letter change. In addition, this position is subject to modification or revocation if at any time the Commission or the Division of Corporation Finance determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 10(b) and 14(e) of the Exchange Act, and Rule 10b-5 thereunder. The participants in the transactions contemplated by your letter must comply with these and any other applicable provisions of the federal securities laws. The Division of Corporation Finance expresses no view on any other questions that may be raised by these transactions, including but not limited to the adequacy of disclosure concerning and the applicability of any other federal or state laws to such transactions.

Sincerely,

For the Commission,
By the Division of Corporation Finance
pursuant to delegated authority,

Michele M. Anderson
Chief, Office of Mergers and Acquisitions

W. John McGuire
Partner
202-373-6799
john.mcguire@.bingham.com

July 3, 2013

Ms. Michele M. Anderson, Chief
Mr. David Orlic
Office of Mergers and Acquisitions
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Request of SSgA Active ETF Trust for Exemptive and No-Action Relief from Rule 14e-5 under the Securities Exchange Act of 1934

Dear Ms. Anderson and Mr. Orlic:

SSgA Active ETF Trust (the "Trust") is an open-end management investment company organized on March 30, 2011 as a Massachusetts business trust. The Trust is currently comprised of multiple series, including the SPDR Blackstone/GSO Senior Loan ETF (the "Fund"). The Fund will operate in a master-feeder structure, whereby the Fund will invest substantially all of its assets in a series of the SSgA Master Trust, whose investment objectives mirror those of the Fund.¹ The Trust and the SSgA Master Trust are registered under the Investment Company Act of 1940, as amended ("1940 Act").

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¹ For ease of understanding, when this letter refers to the Fund's investment objective, portfolio holdings, etc., the reference relates to the characteristics of the applicable master portfolio in which the Fund will invest substantially all of its assets.

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The Trust on behalf of itself, the Fund, and any national securities exchange or national securities association on or through which the shares subsequently trade and persons or entities engaging in transactions in shares issued by the Fund ("Shares"), as applicable, requests that the Securities and Exchange Commission (the "Commission" or the "SEC") grant exemptive and no-action relief from Rule 14e-5 under the Securities Exchange Act of 1934 (the "Exchange Act") in connection with secondary market transactions in Shares and the creation and redemption of Creation Units, as discussed below.

The Trust expects to issue and redeem Shares of the Fund in aggregations of at least 50,000 Shares, referred to as Creation Units. The Trust has an effective registration statement on Form N-1A. Shares of the Fund are listed on the NYSE Arca and may, in the future also be listed on another exchange ("Exchange") as defined in Section 2(a)(26) of the 1940 Act.

The Fund and Its Investment Objective

SSG A Funds Management, Inc. (the "Adviser") serves as the investment adviser and GSO / Blackstone Debt Funds Management LLC (the "Sub-Adviser") serves as Sub-Adviser to the Fund and the corresponding series of the Master Trust.

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The Fund seeks to provide current income consistent with preservation of capital. The Fund will normally invest at least 80% of its net assets (plus any borrowings for investment purposes) in first lien senior secured floating rate bank loans.

Availability of Information

On each day the Fund is open (a "Business Day"),² before commencement of trading in Shares on the Exchange, the Fund will disclose on its website the identities and quantities of the securities and other assets (collectively, "Portfolio Securities") held by the Fund that will form the basis for their calculation of net asset value ("NAV") at the end of the Business Day. The website and information will be publicly available at no charge. The Exchange or other market information provider will disseminate every 15 seconds throughout the trading day through the facilities of the Consolidated Tape Association an amount (the "IIV") representing on a per Share basis, the sum of the current value of the Portfolio Securities to be used in calculating the Fund's NAV at the end of the Business Day.

Arbitrage Process

² A Business Day is any day on which the Exchange is open for business.

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The Shares will be listed and traded on the Exchange. Shares will be freely tradable on the Exchange throughout the trading session. The price of Shares trading on the Exchange will be based on a current bid/offer market. The trading market on the Exchange affords investors the opportunity to assume and liquidate positions in Shares at their discretion, permitting them to take advantage of prices at any time during the trading day. This combination of intraday liquidity with the Creation Unit purchase and redemption features creates potential arbitrage opportunities that, in turn, should and historically have proven to mitigate pricing inefficiencies. Indeed, the high degree of historical and expected correlation between ETFs' NAVs and their share prices contrasts with the case of shares of closed-end equity funds which, not having the ability to create and redeem at the fund level, typically trade at a material discount (or premium) to their underlying NAVs.

The arbitrage mechanism will be facilitated by the transparency of the Fund's portfolio and the availability of the IIV, the liquidity of its Portfolio Securities and the ability to access those securities, as well as the arbitrageurs' ability to create workable hedges. As discussed above, there will be disclosure on each Business Day of the Fund's Portfolio Securities and the IIV will be disseminated every 15 seconds throughout the trading session. The Fund will invest in Portfolio Securities that are not listed on national securities

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exchanges and may be less liquid than securities traded on national securities exchanges, but are expected to have liquidity levels sufficient to facilitate an effective and efficient arbitrage mechanism and the ability to create workable hedges. For these reasons, we expect arbitrageurs to be able to take advantage of price variations between the Fund's market price and its NAVs. Thus, we expect a close alignment between the respective market price and NAV.

Precedents

The SEC staff ("Staff") has previously issued the relief requested herein to other actively-managed ETFs³ and to index-based ETFs.⁴ These letters provided relief specific to the funds or classes of funds described therein and, therefore, the Trust and the Fund are not entitled to rely on them for relief. The Trust and the Fund note, however, that their proposal--the creation and issuance by an actively-managed investment company of shares that individually trade on an Exchange, but that can only be purchased from and redeemed with the issuing investment company in large aggregations--is no longer novel. The Commission has in the

³ See Letter from Michele M. Anderson to John McGuire, Esq. Bingham, McCutchen LLP regarding SSgA Active ETF Trust dated November 12, 2012; Letter from James A. Brigagliano to Clifford Chance US LLP regarding PowerShares Actively Managed Exchange Traded Fund Trust, dated April 4, 2008 and Letter from Josephine Tao, Assistant Director, Division of Market Regulation, to Jack P. Drogin, Esq. Schiff Hardin LLP re WisdomTree Global Real Return Fund (Aug. 29, 2011).

⁴ See Letter from James A. Brigagliano, Assistant Director, Division of Market Regulation, to Clair P. McGrath, Vice President and Special Counsel, The American Stock Exchange, dated August 17, 2001 (re: Exemptive Relief for Exchange-Traded Index Funds).

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past sixteen years considered and approved many similar proposals. Some of the index-based products for which relief has been granted have been trading publicly for years, and the Trust is not aware of any abuses associated with them. Indeed, several of the index-based products have been so embraced by investors that they are routinely among the highest volume securities on the exchanges on which they trade.

We also do not believe that the use of a master-feeder structure presents any issues which the Staff has not previously considered. In this regard, we note that the Adviser and the Trust have received an exemptive order (File No. 812-13487) granting certain exemptions, including any exemptive relief required to operate in a master-feeder structure. In addition, the Vanguard Group has for over a decade used a similar multi-class structure as a means to offer multiple investment choices whose performance is based on the same pool of securities.

Creation and Redemption Process

Unlike typical mutual funds, the Fund does not sell its Shares directly to, or redeem its Shares directly from, individual investors. Rather, like other ETFs, the Fund sells and redeems its Shares in large aggregations referred to as Creation Units. Transactions in Creation Units take place between the Fund and persons, typically broker-dealers, who have entered into contractual agreements with the

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Fund setting forth the terms under which these persons can purchase and redeem Shares in Creation Unit sized aggregations. These persons are known as Authorized Participants. Also, unlike mutual funds whose purchase and redemption transactions are almost always in cash, Creation Unit transactions are typically in-kind transactions. Each day before trading begins, the Fund will make publicly available the list of securities (the Creation/Redemption Basket) that Authorized Participants must deliver to purchase a Creation Unit and will receive if they redeem a Creation Unit. It is the fact that most Authorized Participants are broker-dealers that implicates Rule 14e-5.

Authorized Participants purchase Creation Units for a variety of reasons. The simplest example involves an individual investor who wants to buy a Creation Unit. The Authorized Participant will purchase on an Exchange or other trading market the Creation Basket, tender the securities to the Fund in return for the Creation Unit and transfer the Creation Unit to the investor. A more complicated example would be if the investor did not want to buy a full Creation Unit, but the Authorized Participant believed there was interest in the marketplace for additional Shares. The Authorized Participant would use the additional Shares to fulfill market demand and hold the remaining Shares in inventory pending sale to other investors.

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Redemption transactions are mirror images of purchase transactions. An Authorized Participant might receive a full or partial Creation Unit from an investor, buy additional Shares, if necessary, tender the Creation Unit and receive the Redemption Basket, all or part of which would be transferred to the investor or sold on an Exchange with the cash proceeds provided to the investor. When buying the individual securities comprising a Creation Basket, which may include convertible securities and the shares of certain closed-end investment companies, or tendering a Creation Unit in return for the Redemption Basket, the Authorized Participant will or could be deemed to be directly or indirectly purchasing securities which would implicate Rule 14e-5 if the Authorized Participant is a dealer-manager for a tender offer for an individual security in the Creation or Redemption Basket.

Rule 14e-5

Rule 14e-5 prohibits a "covered person" from directly or indirectly purchasing or arranging to purchase any subject securities of a tender offer (or related security) except as part of such tender offer. The dealer-manager of a tender offer, in these facts also a broker-dealer and an Authorized Participant, is a "covered person" subject to the Rule and will comply with all provisions of

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Rule 14e-5 except for those from which this letter requests the exemption described below.

The Trust respectfully requests that the Commission grant exemptive relief from Rule 14e-5 to permit any person (including a member or member organization of the NYSE Arca or another Exchange) acting as a dealer-manager of a tender offer for a security that is part of the group of securities that is received by the Fund when it issues a Creation Unit or part of the group of securities the Fund distributes when it redeems a Creation Unit, *i.e.*, a security that is part of a Creation Basket or Redemption Basket, during the existence of such offer, to: (1) redeem Shares of the Fund in Creation Unit sized aggregations to the Fund for a Redemption Basket that may include a security subject to the tender offer; and (2) engage in secondary market transactions in Shares of the Fund during such tender offer, if such bids or purchases are not effected for the purposes of facilitating a tender offer and such transactions are in the ordinary course of business. As stated in prior requests for relief from Rule 14e-5,⁵ Applicants believe that redemptions of Shares would not result in the abuses that Rule 14e-5 was designed to prevent and that the differences in the trading markets for the Portfolio Securities the Fund will hold do not affect this conclusion. . The acquisition of individual securities held by the

⁵ See fn. 3 supra.

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Fund by means of redemptions of Shares of such Fund would be impractical and extremely inefficient in view of the relatively small number of shares of any one security included in a Redemption Basket and that a minimum of 50,000 Shares of the Fund (*i.e.*, the minimum size of a Creation Unit), or multiples thereof, be redeemed.

The Trust similarly believes that, notwithstanding any differences in the trading markets for the Fund's Portfolio Securities, it would be equally inefficient to facilitate a tender offer in a particular security included in a Creation Basket by means of purchasing all of the specific Portfolio Securities comprising such Creation Basket. Rule 14e-5(b) excepts certain activities from the Rule's prohibitions. In particular, Rule 14e-5(b)(5) excepts basket transactions subject to the following conditions:

- (i) The purchase or arrangement to purchase is made in the ordinary course of business and not to facilitate the tender offer;
- (ii) The basket contains 20 or more securities; and
- (iii) Covered securities and related securities do not comprise more than 5% of the value of the basket.

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The dealer-managers will comply with the initial condition. In addition, the Fund is a diversified investment company as defined in Section 5(b)(1) of the 1940 Act, which provides, as relevant, that at least 75% of the Fund's assets will consist of cash and cash items, securities of other investment companies and holdings of other securities that are less than 5% of the Fund's assets. However, there are not any specific investment limitations set forth in the registration statement for the Fund that would prohibit a Fund from having fewer than 20 securities in its portfolio or having more than 5% of its portfolio in one security. As a result, the Fund is unable to rely on the existing exception for basket transactions.

In addition, application of the Rule's prohibition would impede the valid and useful market and arbitrage activity which would assist secondary market trading and improve the Shares' pricing efficiency. For example, an Authorized Participant who held Shares in inventory pending sale to investors might hedge its exposure by selling short Portfolio Securities, in which case the Authorized Participant's subsequent purchase of the Portfolio Securities to cover the short sale might implicate Rule 14e-5.

Therefore, the Trust also respectfully requests that the Commission take a no-action position under Rule 14e-5 if a broker-dealer, including a member or

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member organization of the NYSE Arca or another Exchange, acting as a dealer-manager of a tender offer for a Portfolio Security held by the Fund purchases or arranges to purchase shares of such Portfolio Security in the secondary market for the purpose of tendering them to purchase one or more Creation Units of Shares of the Fund, if such transactions are not effected for the purposes of facilitating a tender offer. Applicants represent that all purchases of a Portfolio Security by a dealer-manager during the existence of a tender offer will be in the ordinary course of business as a result of the composition of the Fund's portfolio and believe that the purchase of a Portfolio Security during the existence of a tender offer would not result in the abuses that Rule 14e-5 was designed to prevent.⁶

Conclusion

Based on the foregoing, we respectfully request that the Commission and the Staff grant the relief requested herein from Rule 14e-5. The relief requested is substantially similar to those actions that the Commission and the Staff have taken in similar circumstances. If you have any questions please call me at (202) 373-6799 or my colleague Michael Berenson at (202) 373-6036.

⁶ The Commission has previously granted Rule 14e-5 exemptive and no-action relief. *See* fn. 3 *supra*. Although the ETF which is the subject of this request is an actively managed ETF, we do not believe there are any policy or analytical reasons warranting a different conclusion.

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Sincerely,

A handwritten signature in black ink that reads "W. John McGuire". The signature is written in a cursive style with a large, looped "W" and a distinct "McGuire" ending.

W. John McGuire

cc: Michael Berenson, Esq.