8011-01

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86532; File No. SR-NYSEArca-2019-02]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to List and Trade the Shares of the ProShares UltraPro 3x Natural Gas ETF and ProShares UltraPro 3x Short Natural Gas ETF under NYSE Arca Rule 8.200-E

July 31, 2019

I. Introduction

On January 28, 2019, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")[2] and Rule 19b-4 thereunder,[3] a proposed rule change to list and trade shares ("Shares") of the ProShares UltraPro 3x Natural Gas ETF and ProShares UltraPro 3x Short Natural Gas ETF (individually, "Fund," and collectively, "Funds") under NYSE Arca Equities Rule 8.200-E. The proposed rule change was published for comment in the Federal Register on February 15, 2019.[4]

On March 26, 2019, pursuant to Section 19(b)(2) of the Act,[5] 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.[6]

---

1 15 U.S.C. 78s(b)(1).

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

4 See Securities Exchange Act Release No. 85088 (Feb. 11, 2019), 84 FR 4573 ("Notice").

5 15 U.S.C. 78s(b)(2).

6 See Securities Exchange Act Release No. 85417, 84 FR 12304 (Apr. 1, 2019). The Commission designated May 16, 2019, as the date by which the Commission shall

On May 15, 2019, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act[7] to determine whether to approve or disapprove the proposed rule change.[8] In the Order Instituting Proceedings, the Commission solicited comments on specified matters related to the proposal.[9] On June 26, 2019, the Exchange filed Amendment No. 1 to the proposed rule change.[10] The Commission has received no comments on the proposal. This order grants approval of the proposed rule change, as modified by Amendment No. 1.

approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

7 15 U.S.C. 78s(b)(2)(B).

8 See Securities Exchange Act Release No. 85860, 84 FR 23103 (May 21, 2019) ("Order Instituting Proceedings").

9 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., 84 FR at 23104.

10 In Amendment No. 1, which amended and replaced the proposed rule change in its entirety, the Exchange clarified: (a) that each Fund will seek to invest in Futures Contracts (as defined herein) listed on NYMEX (as defined herein); (b) the specific circumstances and conditions under which a Fund may obtain exposure to the Benchmark (as defined herein) through investments in Financial Instruments (as defined herein); (c) the trading volume and open interest in natural gas futures contracts; (d) the trading hours of the natural gas futures contracts, the designated settlement time of the natural gas futures contracts, and the daily Benchmark closing value calculation time; and (e) that prior to the commencement of trading, the Exchange will inform its ETP Holders (as defined herein) of the suitability requirements of NYSE Arca Equities Rule 9.2-E(a) in an information bulletin. In addition, the Exchange made other technical, conforming, and non-substantive changes to the proposal. Because the changes in Amendment No. 1 do not materially alter the substance of the proposed rule change or raise unique or novel regulatory issues, Amendment No. 1 is not subject to notice and comment. Amendment No. 1 is available on the Commission's website at: https://www.sec.gov/comments/sr-nysearca-2019-02/srnysearca201902-5736053-186688.pdf.

II. Exchange's Description of the Proposal, as Modified by Amendment No. 1[11]

The Exchange proposes to list and trade the Shares of each Fund under NYSE Arca Rule 8.200-E, Commentary .02, which governs the listing and trading of Trust Issued Receipts.[12] Each Fund is a series of the ProShares Trust II ("Trust"), a Delaware statutory trust.[13] The Trust and the Funds are managed and controlled by ProShare Capital Management LLC ("ProShare Capital" or "Sponsor"). ProShare Capital is registered as a commodity pool operator with the Commodity Futures Trading Commission and is a member of the National Futures Association. The Bank of New York Mellon will be the custodian, transfer agent, and administrator for the Funds. SEI Investments Distribution Co. will serve as distributor for the Funds.

Overview of the Funds

The investment objective of the ProShares UltraPro 3x Natural Gas ETF is to seek daily[14] investment results (before fees and expenses) that correspond to three times (3x) the performance of the Bloomberg Natural Gas Subindex ("Benchmark"). The investment objective of the

---

11 The Commission notes that additional information regarding, among other things, the Shares, Funds, investment objectives, permitted investments, investment strategies and methodologies, investment restrictions, creation and redemption procedures, availability of information, trading rules and halts, and surveillance procedures, can be found in the Notice (see supra note 4) and the Registration Statement (see infra note 13), as applicable.

12 Commentary .02 to NYSE Arca Rule 8.200-E applies to Trust Issued Receipts that invest in "Financial Instruments." The term "Financial Instruments," as defined in Commentary .02(b)(4) to NYSE Arca Rule 8.200-E, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars, and floors; and swap agreements.

13 The Trust is registered under the Securities Act of 1933. On May 19, 2017, the Trust filed with the Commission a registration statement on Form S-1 under the Securities Act of 1933 relating to the Funds (File No. 333-218136) ("Registration Statement").

14 Each Fund seeks to achieve its investment objective for a single day, and not for any other period. The Exchange states that the return of a Fund for a period longer than a single trading day is the result of its return for each day compounded over the period and thus will usually differ from a Fund's multiple times the return of the Benchmark for the same period.

ProShares UltraPro 3x Short Natural Gas ETF is to seek daily investment results (before fees and expenses) that correspond to three times the inverse (-3x) of the performance of the Benchmark. The Benchmark is intended to reflect the performance of a rolling position in natural gas futures contracts listed on the New York Mercantile Exchange ("NYMEX," which is part of the CME Group, Inc.), without regard to income earned on cash positions.

Investments of the Funds

In seeking to achieve the Funds' investment objectives, ProShare Capital will utilize a mathematical approach to determine the type, quantity, and mix of investment positions that ProShare Capital believes, in combination, should produce daily returns consistent with the Funds' respective objectives. Each Fund will seek to meet its respective investment objective by investing, under normal market conditions,[15] in NYMEX-listed futures contracts and NYMEX-listed options on such futures contracts (collectively, "Futures Contracts").[16] The Funds will not invest directly in natural gas. The Funds' investments in Futures Contracts will be used to produce economically "leveraged" or "inverse leveraged" investment results for the Funds.

[15] The term "normal market conditions" includes, but is not limited to, the absence of: trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance. See NYSE Arca Rule 8.600-E(c)(5).

[16] According to the Exchange, a Futures Contract is a standardized contract traded on, or subject to the rules of, an exchange that calls for the future delivery of a specified quantity and type of a particular underlying asset at a specified time and place or alternatively may call for cash settlement. The notional size and calendar term Futures Contracts on a particular underlying asset are identical and are not subject to any negotiation, other than with respect to price and the number of contracts traded between the buyer and seller. Natural gas futures contracts listed on NYMEX have significant volume and open interest. Year-to-date (as of 3/27/19) average daily dollar volume of the first and second month contracts combined is over $6 billion per day and current open is over $10 billion.

Each Fund may, to a lesser extent and in view of regulatory requirements and/or market conditions,[17] obtain exposure to the Benchmark through investment in over-the-counter ("OTC") swap transactions and forward contracts based on such Benchmark ("Financial Instruments"). A Fund may invest in Financial Instruments: (i) if position, price or accountability limits are reached with respect to Futures Contracts;[18] (ii) if margin requirements or exposure limits are reached with a particular futures commission merchant; (iii) if the market for a specific futures contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., trading halt or "flash crash"); (iv) to maintain or increase portfolio diversification or liquidity or to obtain more favorable pricing; (v) to mitigate credit risk or exposure; or (vi) if the Sponsor deems it impractical or otherwise not in the best interest of a Fund to buy or sell Futures Contracts (such as during periods of market volatility or illiquidity).

Each Fund will also hold cash or cash equivalents, such as U.S. Treasury securities or other high credit quality, short-term fixed-income or similar securities (such as shares of money market funds and collateralized repurchase agreements), pending investment in Futures Contracts or Financial Instruments or as collateral for the Funds' investments.

In addition, to the extent a Fund enters into swap agreements and other OTC transactions, it will do so only with large, established and well capitalized financial institutions that meet the Sponsor's credit quality standards and monitoring policies. Each Fund will use various

---

17 Market conditions that the Sponsor currently anticipates could cause a Fund to invest in Financial Instruments include, among others, conditions where the Sponsor believes the use of Financial Instruments would allow a Fund to obtain greater liquidity or more favorable pricing.

18 According to the Exchange, many designated contract markets, such as the NYMEX, have established accountability levels and position limits on the maximum net long or net short futures contracts in commodity interests that any person or group of persons under common trading control may hold, own or control. In addition, NYMEX also sets price fluctuation limits on futures contracts. Options do not have individual price limits but rather are linked to the price limit of Futures Contracts.

techniques to minimize credit risk including early termination or reset and payment, using different counterparties and limiting the net amount due from any individual counterparty.

The Funds do not intend to hold Futures Contracts through expiration, but instead intend to "roll" or close their respective positions before expiration.[19] The Exchange states that the Funds do not expect to have exposure to Futures Contracts and Financial Instruments greater than three times (3x) the Funds' net assets. The Exchange further represents that not more than 10% of the net assets of a Fund in the aggregate invested in Futures Contracts will consist of Futures Contracts whose principal market is not a member of the Intermarket Surveillance Group ("ISG") or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement ("CSSA").

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.[20] In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Exchange Act,[21] which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of

---

[19] The Funds also may invest in options on Futures Contracts. Unlike Futures Contracts, which the Funds intend to roll before expiration, the Funds intend to hold "in-the-money" options on Futures Contracts to expiration. The Funds expect to exercise in-the-money options on Futures Contracts at expiration of the options contract and they would settle through receipt or delivery of the underlying Futures Contracts. The Funds expect to hold out-of-the money options to expiration and that they will be expired worthless. Options on Futures Contracts are subject to the effects of contango and backwardation to the same general extent as their underlying Futures Contracts.

[20] 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).

[21] 15 U.S.C. 78f(b)(5).

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,[22] which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities.

According to the Exchange, quotation and last-sale information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association. Quotation information for cash equivalents and OTC Financial Instruments may be obtained from brokers and dealers who make markets in such instruments. Quotation information for exchange-traded swaps will be available from the applicable exchange and major market vendors. The intraday, closing prices, and settlement prices of the Futures Contracts will be readily available from the applicable futures exchange websites, automated quotation systems, published or other public sources, or major market data vendors. Complete real-time data for the Futures Contracts is available by subscription through on-line information services. ICE Futures U.S. and NYMEX also provide delayed futures and options on futures information on current and past trading sessions and market news free of charge on their respective websites. The specific contract specifications for Futures Contracts are also available on such websites, as well as other financial informational sources. Intra-day price and closing price level information for the Benchmark will be available from major market data vendors.

---

[22] 15 U.S.C. 78k-1(a)(1)(C)(iii).

The Funds' website will display the applicable end of day closing net asset value ("NAV"). The daily holdings of each Fund will be available on the Funds' website. The Funds' website will also include a form of the prospectus for the Funds that may be downloaded. The website will include the Shares' ticker and CUSIP information, along with additional quantitative information updated on a daily basis for each Fund.[23] The website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the name, quantity, value, expiration, and strike price of Futures Contracts, (ii) the counterparty to and value of swap agreements and forward contracts, and (iii) the aggregate net value of other assets (i.e., Treasury securities, cash equivalents, and cash) held in each Fund's portfolio, if applicable. The Funds' website will be publicly available at the time of the public offering of Shares and accessible at no charge. The spot price of natural gas also is available on a 24-hour basis from major market data vendors.

Each Fund's NAV will be calculated on each day other than a day when the Exchange is closed for regular trading. The Funds will typically compute their NAVs as of 2:30 p.m. Eastern Time ("E.T."), which is the designated settlement time of the natural gas futures listed on NYMEX,[24] or an earlier time as set forth on www.ProShares.com, if necessitated by the Exchange or other exchange material to the valuation or operation of such Fund closing early.

23 The Funds' website will include: (1) daily trading volume, the prior business day's reported NAV and closing price, and a calculation of the premium and discount of the closing price or mid-point of the bid/ask spread at the time of NAV calculation ("Bid/Ask Price") against the NAV; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily closing price or Bid/Ask Price against the NAV, within appropriate ranges, for at least each of the four previous calendar quarters.

24 The daily closing value of the Benchmark is calculated as of 2:30 p.m. E.T. to coincide with the designated settlement time of the natural gas futures listed on NYMEX. These contracts generally trade 23 hours a day, Sunday through Friday from 6:00 p.m. E.T. with a 60-minute break each day beginning at 5:00 p.m. E.T. The Fund's Indicative Fund Value ("IFV") is updated to reflect the price of these contracts up until 4:00 p.m.

Each Fund's NAV is calculated only once each trading day. In order to provide updated information relating to a Fund for use by investors and market professionals, the Exchange will calculate an updated IFV, which will be calculated by using the prior day's closing NAV per Share of a Fund as a base and will be updated throughout the Core Trading Session of 9:30 a.m. E.T. to 4:00 p.m. E.T. to reflect changes in the approximate aggregate per Share value of the investments held by a Fund based on the most recently available prices for the Fund's investments. The IFV will be disseminated on a per Share basis every 15 seconds during the Exchange's Core Trading Session and be widely disseminated by one or more major market data vendors during the NYSE Arca Core Trading Session. The NAV for the Shares will be disseminated daily to all market participants at the same time.

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. If the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants. Further, the Exchange may halt trading during the day in which an interruption to the dissemination of the IFV or the value of the Benchmark occurs. If the interruption to the dissemination of the IFV or the value of the Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. Trading in Shares of a Fund will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12-E 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. The Exchange states that it has a general policy prohibiting the distribution of material, non-public information by its employees. Moreover, trading of the Shares will be subject to NYSE Arca Equities Rule 8.200-E, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in Trust Issued Receipts to facilitate surveillance.

The Commission notes that the Exchange or the Financial Industry Regulatory Authority ("FINRA"), on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares and certain Futures Contracts with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and certain Futures Contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and certain Futures Contracts from markets and other entities that are members of ISG or with which the Exchange has in place a CSSA.[25] The Exchange is also able to obtain information regarding trading in the Shares, the physical commodities underlying Futures Contracts through ETP Holders, in connection with such ETP Holders' proprietary or customer trades which they effect through ETP Holders on any relevant market. The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions (including transactions in Futures Contracts) occurring on US futures exchanges, which are members of the ISG.

The Exchange 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 represented that:

---

[25] For a list of the current members of ISG, see www.isgportal.org. According to the Exchange, not all components of a Fund may trade on markets that are members of ISG or with which the Exchange has in place a CSSA.

(1) The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.200-E.

(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 the Exchange, as well as cross-market surveillances administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws, and these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

(4) Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (a) the risks involved in trading the Shares during the Early and Late Trading Sessions when an updated IFV will not be calculated or publicly disseminated; (b) the procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (c) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (d) how information regarding the IFV is disseminated; (e) how information regarding portfolio holdings is disseminated; (f) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or

concurrently with the confirmation of a transaction; (g) trading information; and (h) NYSE Arca suitability rules.

(5) Prior to the commencement of trading, the Exchange will inform its ETP Holders of the suitability requirements of NYSE Arca Equities Rule 9.2-E(a) in an Information Bulletin. Specifically, ETP Holders will be reminded in the Information Bulletin that, in recommending transactions in the Shares, they must have a reasonable basis to believe that (a) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such ETP Holder, and (b) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Shares. In connection with the suitability obligation, the Information Bulletin will also provide that ETP Holders must make reasonable efforts to obtain the following information: (i) The customer's financial status; (ii) the customer's tax status; (iii) the customer's investment objectives; and (iv) such other information used or considered to be reasonable by such ETP Holder or registered representative in making recommendations to the customer.

(6) FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged and inverse leveraged securities (which include the Shares) and options on such securities, as described in FINRA Regulatory Notices 09-31 (June 2009), 09-53 (August 2009), and 09-65 (November 2009). ETP Holders that carry customer accounts will be required to follow the FINRA guidance set forth in these notices.

(7) For initial and continued listing, each Fund will be in compliance with Rule 10A-3 under the Act,[26] as provided by NYSE Arca Equities Rule 5.3-E.

(8) Each Fund will seek to meet its respective investment objective by investing, under normal market conditions, in NYMEX-listed Futures Contracts. The Funds will not invest directly in natural gas.

(9) Each Fund may, to a lesser extent and in view of regulatory requirements and/or market conditions,[27] obtain exposure to the Benchmark through investment in OTC Financial Instruments. A Fund may invest in Financial Instruments: (i) if position, price or accountability limits are reached with respect to Futures Contracts;[28] (ii) if margin requirements or exposure limits are reached with a particular futures commission merchant; (iii) if the market for a specific futures contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., trading halt or "flash crash"); (iv) to maintain or increase portfolio diversification or liquidity or to obtain more favorable pricing; (v) to mitigate credit risk or exposure; or (vi) if the Sponsor deems it impractical or otherwise not in the best interest of a Fund to buy or sell Futures Contracts (such as during periods of market volatility or illiquidity).

(10) The Funds do not expect to have exposure to Futures Contracts and Financial Instruments greater than three times (3x) the Funds' net assets as of the time the NAV is calculated.

---

26 17 CFR 240.10A-3.

27 See supra note 17 and accompanying text.

28 See supra note 18 and accompanying text.

(11) Not more than 10% of the net assets of a Fund in the aggregate invested in Futures Contracts shall consist of Futures Contracts whose principal market is not a member of the ISG or is a market with which the Exchange does not have a CSSA.

(12) To the extent a Fund enters into swap agreements and other OTC transactions, it will do so only with large, established and well capitalized financial institutions that meet the Sponsor's credit quality standards and monitoring policies. Each Fund will use various techniques to minimize credit risk including early termination or reset and payment, using different counterparties and limiting the net amount due from any individual counterparty.

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

The Exchange represents that all statements and representations made in this filing regarding (a) the description of the portfolios of the Funds or Benchmark, (b) limitations on portfolio holdings or the Benchmark, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements.[29] If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5-E(m).

---

[29] The Commission notes that certain other proposals for the listing and trading of Managed Fund Shares include a representation that the exchange will "surveil" for compliance with the continued listing requirements. See, e.g., Securities Exchange Act Release No. 77499

This approval order is based on all of the Exchange's representations and description of the Funds, including those set forth above and in Amendment No. 1. The Commission notes that the Shares must comply with the requirements of NYSE Arca Equities Rule 8.200-E and Commentary .02 thereto to be listed and traded on the Exchange on an initial and continuing basis.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act[30] and the rules and regulations thereunder applicable to a national securities exchange.

(April 1, 2016), 81 FR 20428 (April 7, 2016) (Notice of Filing of Amendment No. 2, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, to List and Trade Shares of the SPDR DoubleLine Short Duration Total Return Tactical ETF of the SSgA Active Trust), available at: http://www.sec.gov/rules/sro/bats/2016/34-77499.pdf. In the context of this representation, it is the Commission's view that "monitor" and "surveil" both mean ongoing oversight of the Fund's compliance with the continued listing requirements. Therefore, the Commission does not view "monitor" as a more or less stringent obligation than "surveil" with respect to the continued listing requirements.

30 15 U.S.C. 78f(b)(5).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,[31] that the proposed rule change (SR-NYSEArca-2019-02), as modified by Amendment No. 1, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[32]

Jill M. Peterson,
Assistant Secretary.

---

31 15 U.S.C. 78s(b)(2).

32 17 CFR 200.30-3(a)(12).

[FR Doc. 2019-16717 Filed: 8/5/2019 8:45 am; Publication Date: 8/6/2019]