

ensure that FICC collects a VaR Charge that better addresses the risk exposure presented by the portfolio of the Netting Member. By better limiting exposure to Netting Members, the proposal is designed to help ensure that, in the event of a member default, GSD's operations would not be disrupted and non-defaulting Netting Members would limit their exposure to losses that they cannot anticipate or control. Accordingly, the Commission believes that the proposal will help to promote safety and soundness at FICC, which in turn will help to reduce systemic risk and support the stability of the broader financial system, consistent with Section 805(b) of the Act.<sup>40</sup>

*B. Consistency With Rule 17Ad-22(b)(1) and (b)(2) Under the Exchange Act*

The Commission believes that the proposed changes associated with the Margin Proxy are consistent with the requirements of Rules 17Ad-22(b)(1) and (b)(2) under the Exchange Act.<sup>41</sup>

Rule 17Ad-22(b)(1) under the Exchange Act requires a registered clearing agency that performs central counterparty services to establish, implement, maintain, and enforce written policies and procedures reasonably designed to measure its credit exposures to its participants at least once a day and limit its exposures to potential losses from defaults by its participants under normal market conditions so that the operations of the clearing agency would not be disrupted and non-defaulting participants would not be exposed to losses that they cannot anticipate or control.<sup>42</sup> The proposed Margin Proxy would be used daily to help measure FICC's credit exposure to Netting Members. While ICBCFS raises concerns about including the 2007-2009 period, as noted above, the Commission agrees that this look back period should help FICC better monitor the credit exposures presented by its Netting Members by including volatile periods. It should also enhance FICC's overall risk-based margining framework by helping to ensure that the calculation of each GSD Netting Member's Required Fund Deposit would be sufficient to allow FICC to use the defaulting member's own Required Fund Deposit to limit its exposures to potential losses associated with the liquidation of such member's portfolio in the event of a GSD Netting Member default under normal market conditions. Therefore, the Commission believes that

the proposal is consistent with the requirements of Rule 17Ad-22(b)(1).<sup>43</sup>

Rule 17Ad-22(b)(2) under the Exchange Act requires a registered clearing agency that performs central counterparty services to establish, implement, maintain, and enforce written policies and procedures reasonably designed to use margin requirements to limit its credit exposures to participants under normal market conditions and use risk-based models and parameters to set margin requirements and review such margin requirements and the related risk-based models and parameters at least monthly.<sup>44</sup> The proposed changes would enhance the risk-based model and parameters that establish daily margin requirements for Netting Members by enabling FICC to better identify the risk posed by a Netting Member's unsettled portfolio and to quickly adjust and collect additional deposits as needed to cover those risks. Because the proposed changes are designed to calculate each Netting Member's Required Fund Deposit at a 99 percent confidence level, the proposal also should help mitigate losses to FICC and its members, in the event that such Netting Member defaults under normal market conditions. Therefore, the Commission believes that the proposal is consistent with the requirements of Rule 17Ad-22(b)(2).<sup>45</sup>

#### IV. Conclusion

*It is therefore noticed*, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act,<sup>46</sup> that the Commission *does not object* to the Advance Notice (SR-FICC-2017-801) and that FICC be hereby is *authorized* to implement the change as of the date of this notice or the date of an order by the Commission approving the Proposed Rule Change (SR-FICC-2017-001) that reflects the changes that are consistent with this Advance Notice, whichever is later.

By the Commission.

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80350; File No. SR-BatsBZX-2017-07]

### Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Under BZX Rule 14.11(c)(4) the Shares of the VanEck Vectors AMT-Free National Municipal Index ETF of VanEck Vectors ETF Trust

March 30, 2017.

On January 27, 2017, Bats BZX Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade under BZX Rule 14.11(c)(4) the shares of the VanEck Vectors AMT-Free National Municipal Index ETF of VanEck Vectors ETF Trust. The proposed rule change was published for comment in the **Federal Register** on February 14, 2017.<sup>3</sup> On March 10, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>4</sup> The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>5</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is March 31, 2017. The Commission is extending this 45-day time period. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 79989 (February 8, 2017), 82 FR 10615.

<sup>4</sup> Amendment No. 1 is available at: <https://www.sec.gov/comments/sr-batsbzx-2017-07/batsbzx201707-1667531-148997.pdf>.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>40</sup> *Id.*

<sup>41</sup> 17 CFR 240.17Ad-22(b)(1) and (b)(2).

<sup>42</sup> 17 CFR 240.17Ad-22(b)(1).

<sup>43</sup> *Id.*

<sup>44</sup> 17 CFR 240.17Ad-22(b)(2).

<sup>45</sup> *Id.*

<sup>46</sup> 12 U.S.C. 5465(e)(1)(I).

proposed rule change, as modified by Amendment No. 1.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> designates May 15, 2017, as the date by which the Commission shall either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-BatsBZX-2017-07), as modified by Amendment No. 1.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-06686 Filed 4-4-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32585; File No. 812-14694]

### Winton Diversified Opportunities Fund and Winton Capital US LLC

March 30, 2017.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 18(a)(2), 18(c) and 18(i) of the Act, under sections 6(c) and 23(c) of the Act for an exemption from rule 23c-3 under the Act, and for an order pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit certain registered closed-end management investment companies to issue multiple classes of shares and to impose asset-based service and/or distribution fees, early withdrawal charges ("EWCs") and early repurchase fees ("Early Repurchase Fee").

**APPLICANTS:** Winton Diversified Opportunities Fund (the "Fund") and Winton Capital US LLC (the "Adviser").

**FILING DATES:** The application was filed on August 18, 2016 and amended February 22, 2017.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail.

Hearing requests should be received by the Commission by 5:30 p.m. on April 25, 2017, and should be accompanied by proof of service on the applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: Winton Diversified Opportunities Fund and Winton Capital US LLC, c/o Michael Beattie, SEI Corporation, One Freedom Valley Drive, Oaks, Pennsylvania 19456.

#### FOR FURTHER INFORMATION CONTACT:

Elizabeth G. Miller, Senior Counsel, at (202) 551-8707, or Holly Hunter-Ceci, Acting Assistant Chief Counsel, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

#### Applicants' Representations

1. The Fund is a Delaware statutory trust that is registered under the Act as a diversified, closed-end management investment company. The Fund's investment objective is to seek long-term capital appreciation through compound growth.

2. The Adviser is a Delaware limited liability company and is registered as an investment adviser under the Investment Advisers Act of 1940. The Adviser serves as investment adviser to the Fund.

3. The applicants seek an order to permit the Fund to issue multiple classes of shares, each having its own fee and expense structure, and to impose asset-based service and/or distribution fees, EWCs and Early Repurchase Fees.

4. Applicants request that the order also apply to any continuously-offered registered closed-end management investment company that may be organized in the future for which the Adviser or any entity controlling, controlled by, or under common control with the Adviser, or any successor in

interest to any such entity,<sup>1</sup> acts as investment adviser and which operates as an interval fund pursuant to rule 23c-3 under the Act or provides periodic liquidity with respect to its shares pursuant to rule 13e-4 under the Securities Exchange Act of 1934 ("Exchange Act") (each, a "Future Fund" and together with the Fund, the "Funds").<sup>2</sup>

5. The Fund intends to make a continuous public offering of its Class I Shares following the effectiveness of its registration statement (File Nos. 333-201801 and 811-23028) on September 15, 2015. Applicants state that additional offerings by any Fund relying on the order may be on a private placement or public offering basis. Shares of the Funds will not be listed on any securities exchange, nor quoted on any quotation medium. The Funds do not expect there to be a secondary trading market for their shares.

6. If the requested relief is granted, the Fund intends to continuously offer at least one additional class of shares ("Class A Shares") and may also offer additional classes of shares in the future. Because of the different asset-based service and/or distribution fees, services and any other class expenses that may be attributable to a class of a Fund's shares, the net income attributable to, and the dividends payable on, each class of shares may differ from each other.

7. Applicants state that, from time to time, the Fund may create additional classes of shares, the terms of which may differ from Class I Shares and Class A Shares in the following respects: (i) The amount of fees permitted by different distribution plans or different service fee arrangements; (ii) voting rights with respect to a distribution plan of a class; (iii) different class designations; (iv) the impact of any class expenses directly attributable to a particular class of shares allocated on a class basis as described in the application; (v) any differences in dividends and net asset value resulting from differences in fees under a distribution plan or in class expenses; (vi) any EWC or other sales load structure; (vii) any Early Repurchase Fees; and (viii) exchange or conversion privileges of the classes as permitted under the Act.

<sup>1</sup> A successor in interest is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization.

<sup>2</sup> Any Fund relying on this relief in the future will do so in a manner consistent with the terms and conditions of the application. Applicants represent that each entity presently intending to rely on the requested relief is listed as an applicant.

<sup>6</sup> *Id.*

<sup>7</sup> 17 CFR 200.30-3(a)(31).