

amount to be invested by each such party will be allocated among them pro rata based on each party's capital available for investment in the asset class being allocated, up to the amount proposed to be invested by each.

(d) The acquisition of Follow-On Investments as permitted by this condition will be considered a Co-Investment Transaction for all purposes and be subject to the other conditions set forth in the application.

9. The Independent Directors of each Regulated Entity will be provided quarterly for review all information concerning Potential Co-Investment Transactions and Co-Investment Transactions, including investments made by other Regulated Entities or Affiliated Funds that the Regulated Entity considered but declined to participate in, so that the Independent Directors may determine whether all investments made during the preceding quarter, including those investments that the Regulated Entity considered but declined to participate in, comply with the conditions of the Order. In addition, the Independent Directors will consider at least annually the continued appropriateness for the Regulated Entities of participating in new and existing Co-Investment Transactions.

10. Each Regulated Entity will maintain the records required by section 57(f)(3) as if each of the Regulated Entities were a BDC and each of the investments permitted under these conditions were approved by the Required Majority under section 57(f).

11. No Independent Director of a Regulated Entity will also be a director, general partner, managing member or principal, or otherwise an "affiliated person" (as defined in the Act) of, any of the Affiliated Funds.

12. The expenses, if any, associated with acquiring, holding or disposing of any securities acquired in a Co-Investment Transaction (including, without limitation, the expenses of the distribution of any such securities registered for sale under the 1933 Act) shall, to the extent not payable by the Regulated Entity Advisers or the Affiliated Investment Advisers under their respective investment advisory agreements with the Regulated Entities and the Participating Funds, be shared by the applicable Regulated Entities and the Participating Funds in proportion to the relative amounts of their securities held or being acquired or disposed of, as the case may be.

13. Any transaction fee (including break-up or commitment fees but excluding brokers' fees contemplated by section 57(k)(2) or 17(e)(2), as applicable) received in connection with

a Co-Investment Transaction will be distributed to the applicable Regulated Entities and the Participating Funds on a pro rata basis based on the amounts each invested or committed, as the case may be, in such Co-Investment Transaction. If any transaction fee is to be held by a Regulated Entity Adviser or an Affiliated Investment Adviser pending consummation of the transaction, the fee will be deposited into an account maintained by the Regulated Entity Adviser or such other adviser, as the case may be, at a bank or banks having the qualifications prescribed in Section 26(a)(1), and the account will earn a competitive rate of interest that will also be divided pro rata among each applicable Regulated Entity and each Participating Fund based on the amount each invests in such Co-Investment Transaction. None of the Affiliated Funds, Regulated Entity Advisers, Affiliated Investment Advisers, or any affiliated person of any of the Regulated Entities will receive additional compensation or remuneration of any kind (other than (a) in the case of the Regulated Entities and the Participating Funds, the pro rata transaction fees described above and fees or other compensation described in condition 2(c)(iii)(C) and (b) in the case of the Regulated Entity Advisers and the Affiliated Advisers, investment advisory fees paid in accordance with the Regulated Entities' and Affiliated Funds' governing agreements) as a result of or in connection with a Co-Investment Transaction.

14. If the Regulated Entity Advisers, the Principals, any person controlling, controlled by, or under common control with the Regulated Entity Advisers or the Principals, and the Affiliated Funds (collectively, the "Holders") own in the aggregate more than 25% of the outstanding voting securities of a Regulated Entity ("Shares"), then the Holders will vote such Shares as directed by an independent third party when voting on (1) the election of directors; (2) the removal of one or more directors; or (3) any other matter under either the Act or applicable State law affecting the Board's composition, size or manner of election.

15. The Medley Proprietary Accounts will not be permitted to invest in a Potential Co-Investment Transaction except to the extent the aggregate demand from the Regulated Entities and the other Affiliated Funds is less than the total investment opportunity.

16. The Regulated Entity Advisers and the Affiliated Investment Advisers will maintain written policies and procedures reasonably designed to ensure compliance with the foregoing

conditions. These policies and procedures will require, among other things, that each Regulated Entity Adviser will be notified of all Potential Co-Investment Transactions that fall within the then-current Objectives and Strategies of any Regulated Entity it advises and will be given sufficient information to make its independent determination and recommendations under conditions 1, 2(a), 7 and 8.

17. Each Regulated Entity's chief compliance officer, as defined in Rule 38a-1(a)(4), will prepare an annual report for its Board each year that evaluates (and documents the basis of that evaluation) the Regulated Entity's compliance with the terms and conditions of the application and the procedures established to achieve such compliance.

For the Commission, by the Division of Investment Management, under delegated authority.

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-19473 Filed 9-13-17; 8:45 am]

**BILLING CODE P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-81554; File No. SR-DTC-2017-017]**

### **Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Add a Discount to the Pricing Schedule for Special Requests for Security Position Reports Relating to Municipal Security Issues**

September 8, 2017.

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> notice is hereby given that on September 1, 2017, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

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

## I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change by DTC would revise the text of the pricing schedule ("Pricing Schedule") for Security Position Reports ("SPRs")<sup>5</sup> with respect to charges for special request reports ("Special Requests") relating to municipal security issues ("Muni Issues"). Specifically, the proposed rule change would add to the Pricing Schedule a discount ("Muni Discount") for Special Requests relating to Muni Issues ("Special Muni Requests").<sup>6</sup>

## II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

SPRs, which are available by subscription on a daily, weekly, or monthly basis,<sup>7</sup> are listings by CUSIP number of Participants' holdings of Issuer Securities on a specific date for specific Securities, that DTC may provide to Issuers, trustees and authorized third-party Agents of Issuers and trustees (collectively, "Users").<sup>8</sup> A Special Request, which may be ordered

by a User as needed on any given Business Day, shows the closing position for each Participant having the applicable Security credited to its Account on a specified date. Users request these reports for various reasons, including facilitating their proxy activities and communicating with holders with respect to their issues. Because of the cost that DTC incurs in producing these, and other related reports, DTC charges Users a fee when they request a report, as set forth in the Pricing Schedule.<sup>9</sup>

The fee for Special Requests is \$120 per report, per date requested. However, DTC is proposing to provide the Muni Discount for Special Muni Requests to reduce the Users' cost burden relating to high volume Special Muni Requests. The Muni Discount would be applied to Special Requests, using the calculation described further below, when the following criteria ("Muni Discount Criteria") are met:

(i) The CUSIP numbers entered for Special Muni Requests share the same six digit base and the same "Dated Date";<sup>10</sup> and

(ii) the Special Muni Requests are entered on the same Business Day with the same request start date by the same User.

Under the proposed Muni Discount, a User would be charged the standard \$120 fee for a Special Muni Request, but the User would receive for free up to nine additional Special Muni Requests that have the same Muni Discount Criteria as the first Special Muni Request. In other words, if a User purchases one Special Muni Request, the User would receive nine more for free, where those additional nine have the same Muni Discount Criteria. If the User submits an eleventh Special Muni Request that meets the same Muni Discount Criteria as the first, the User would be charged another fee of \$120 for that request, but then the next nine Special Muni Requests with the same Muni Discount Criteria would be free of charge. In the same way, if the User submits a new Special Muni Request with different Muni Discount Criteria than the prior submissions, a fee of \$120 would be charged and the next nine Special Muni Requests conforming to the same criteria would be free of charge.

DTC believes that applying the Muni Discount to Special Muni Requests would allow DTC to align the fees

charged to Users for Special Muni Requests with DTC's costs of providing the related reports, because Special Muni Requests by a User for a single base CUSIP often involve a high volume of requests made simultaneously, allowing the requests to be fulfilled at the same time (rather than, for example, individually on separate days) and therefore resulting in a lower cost per request to DTC than low volume requests or otherwise related requests that may be spread over multiple days.

#### Proposed Revisions to the Pricing Schedule

In connection with this proposal, DTC would update the Special Requests section of the Pricing Schedule to reflect details of the Muni Discount as described above.

#### Implementation

The proposed rule change would be effective upon filing.

#### 2. Statutory Basis

Section 17A(b)(3)(D) of the Act<sup>11</sup> requires that the rules of the clearing agency be designed, *inter alia*, in general, to provide for the equitable allocation of reasonable dues, fees and other charges. DTC believes that the proposed rule change is consistent with this provision because, by accounting for the reduced costs of processing high volume Special Muni Requests, providing the Muni Discount allows DTC to align the fees charged to Users for such Special Muni Requests with DTC's costs of providing the reports. Thus, by better aligning User fees with DTC's costs of providing Special Muni Requests, the proposed rule change would provide for a better equitable allocation of reasonable dues, fees, and other charges.

#### (B) Clearing Agency's Statement on Burden on Competition

DTC does not believe that the proposed rule change would place a burden on competition because it would not have an effect on User access to SPRs. The proposed rule change may promote competition by allowing Users to make Special Requests in higher volumes as needed to conduct their shareholder communication and other related activities without incurring significantly higher DTC fees.

<sup>5</sup> Available at <http://www.dtcc.com/asset-services/issuer-services/spr-pricing>.

<sup>6</sup> Terms not otherwise defined herein have the meaning set forth in the DTC Rules, By-laws and Organization Certificate ("DTC Rules"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>, and the DTC Operational Arrangements ("OA"), available at <http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/operational-arrangements.pdf>.

<sup>7</sup> Daily, weekly, and monthly subscriptions are made on an annual basis. A monthly subscription shows the closing position for each Participant having the applicable Security credited to its Account on the last Business Day of the month. A weekly subscription shows the daily closing position for each Participant having the Security credited to its Account during the week along with the weekly percentage and share changes. A daily subscription shows the closing position for each Participant having the Security credited to its Account on each Business Day.

<sup>8</sup> OA, *supra* note 6, at 53.

<sup>9</sup> *Supra* note 5.

<sup>10</sup> The Dated Date is the date at which interest begins to accrue on fixed income securities, including municipal bonds. A footnote would be added to the Pricing Schedule defining Dated Date.

<sup>11</sup> 15 U.S.C. 78q-1(b)(3)(D).

*(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

DTC has not received or solicited any written comments relating to this proposal. DTC will notify the Commission of any written comments received by DTC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>12</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>13</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2017-017 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File Number SR-DTC-2017-017. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than

those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's Web site (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2017-017 and should be submitted on or before October 5, 2017.

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

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-19476 Filed 9-13-17; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Investment Company Act Release No. 32811; 812-14782]**

**Innovator ETFs Trust, et al.**

September 11, 2017.

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

**ACTION:** Notice.

Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c-1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 12(d)(1)(J) for an exemption from sections 12(d)(1)(A) and 12(d)(1)(B) of the Act. The requested order would permit (a) index-based series of certain open-end management investment companies ("Funds") to issue shares redeemable in large aggregations only ("Creation Units"); (b) secondary market transactions in Fund shares to occur at negotiated market prices rather than at net asset value ("NAV"); (c) certain Funds to pay redemption proceeds, under certain circumstances, more than seven days after the tender of shares for

redemption; (d) certain affiliated persons of a Fund to deposit securities into, and receive securities from, the Fund in connection with the purchase and redemption of Creation Units; and (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the Funds ("Funds of Funds") to acquire shares of the Funds.

**APPLICANTS:** Innovator ETFs Trust (formerly, Academy Funds Trust) ("Trust"), a Delaware statutory trust registered under the Act as an open-end management investment company with multiple series, Innovator Capital Management, LLC ("Innovator"), Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940, and Quasar Distributors, LLC ("Distributor"), a Delaware limited liability company and broker-dealer registered under the Securities Exchange Act of 1934 ("Exchange Act").

**FILING DATES:** The application was filed on June 7, 2017, and amended on September 8, 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 October 5, 2017, and should be accompanied by proof of service on 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, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: Innovator and the Trust, 120 N. Hale Street, Suite 200, Wheaton IL, 60187; the Distributor, 615 East Michigan Street, Milwaukee, Wisconsin 53202.

**FOR FURTHER INFORMATION CONTACT:** Jill Ehrlich, Senior Counsel, at (202) 551-6819, or Andrea Ottomanelli Magovern, Acting Branch Chief, at (202) 551-6821 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f).

<sup>14</sup> 17 CFR 200.30-3(a)(12).