

Applicants' Legal Analysis

1. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of the Act or rule thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

2. Section 23(c) of the Act provides in relevant part that no registered closed-end investment company shall purchase any securities of any class of which it is the issuer except: (a) On a securities exchange or other open market; (b) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or (c) under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors.

3. Rule 23c-3 under the Act permits a registered closed-end investment company to make repurchase offers for its common stock at net asset value at periodic intervals pursuant to a fundamental policy of the investment company. "Periodic interval" is defined in rule 23c-3(a)(1) as an interval of three, six, or twelve months. Rule 23c-3(b)(4) requires that notification of each repurchase offer be sent to shareholders no less than 21 calendar days and no more than 42 calendar days before the repurchase request deadline.

4. Applicants request an order pursuant to sections 6(c) and 23(c) of the Act exempting them from rule 23c-3(a)(1) to the extent necessary to permit the Funds to make monthly repurchase offers. Applicants also request an exemption from the notice provisions of rule 23c-3(b)(4) to the extent necessary to permit each Fund to send notification of an upcoming repurchase offer to shareholders at least seven days but no more than fourteen calendar days in advance of the repurchase request deadline.

5. Applicants contend that monthly repurchase offers are in the shareholders' best interests and consistent with the policies underlying rule 23c-3. Applicants assert that monthly repurchase offers will provide investors with more liquidity than quarterly repurchase offers. Applicants assert that shareholders will be better able to manage their investments and plan transactions, because if they decide to forego a repurchase offer, they will only need to wait one month for the next offer. Applicants also contend that

the portfolio of each Fund will be managed to provide ample liquidity for monthly repurchase offers. Applicants do not believe that a change to monthly repurchases would necessitate any change in portfolio management practices of any of the Funds in order to satisfy rule 23c-3. In fact, applicants expect limited or no impact on overall portfolio management or performance of such Funds upon converting to monthly offers and believe that it may be easier to manage the cash of the portfolio for the smaller monthly offers compared to the larger quarterly ones.

6. Applicants propose to send notification to shareholders at least seven days, but no more than fourteen calendar days, in advance of a repurchase request deadline. Applicants assert that, because BGFREI (and any Future Fund) currently intends to make payment on the next business day following the pricing date, the entire procedure can be completed before the next notification is sent out to shareholders; thus avoiding any overlap. Applicants believe that these procedures will eliminate any possibility of investor confusion.

Applicants also state that monthly repurchase offers will be a fundamental feature of the Funds, and their prospectuses will provide a clear explanation of the repurchase program.

7. Applicants submit that for the reasons given above the requested relief is appropriate in the public interest and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Applicants' Conditions

Applicants agree that any order granting the requested relief shall be subject to the following conditions:

1. BGFREI (and any Future Fund relying on this relief) will make a repurchase offer pursuant to rule 23c-3(b) for a repurchase offer amount of not less than 5% in any one-month period. In addition, the repurchase offer amount for the then-current monthly period, plus the repurchase offer amounts for the two monthly periods immediately preceding the then-current monthly period, will not exceed 25% of BGFREI's (or Future Fund's, as applicable) outstanding common shares. BGFREI (and any Future Fund relying on this relief) may repurchase additional tendered shares pursuant to rule 23c-3(b)(5) only to the extent the percentage of additional shares so repurchased does not exceed 2% in any three-month period.

2. Payment for repurchased shares will occur at least five business days

before notification of the next repurchase offer is sent to shareholders of BGFREI (or Future Fund relying on this relief).

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

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32867; File No. 812-14756]

PIMCO Funds, et al.

October 23, 2017.

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

ACTION: Notice.

Notice of an application for an order pursuant to: (a) Section 6(c) of the Investment Company Act of 1940 ("Act") granting an exemption from sections 18(f) and 21(b) of the Act; (b) section 12(d)(1)(J) of the Act granting an exemption from section 12(d)(1) of the Act; (c) sections 6(c) and 17(b) of the Act granting an exemption from sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Act; and (d) section 17(d) of the Act and rule 17d-1 under the Act to permit certain joint arrangements and transactions. Applicants request an order that would permit certain registered open-end management investment companies to participate in a joint lending and borrowing facility.

APPLICANTS: PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, each an investment company organized as a Delaware statutory trust or a Massachusetts business trust and registered under the Act as an open-end management investment company, on behalf of all existing series,¹ and Pacific Investment Management Company LLC (the "Adviser"), a Delaware limited liability company registered as an investment

¹ Currently, one series of the Funds (as defined below) is a money market fund that complies with Rule 2a-7 of the Act, and applicants request that the order also apply to any future Fund that is a money market fund that complies with rule 2a-7 of the Act (each a "Money Market Fund"). Money Market Funds typically will not participate as borrowers under the interfund lending facility because they rarely need to borrow cash to meet redemptions.

adviser under the Investment Advisers Act of 1940.

FILING DATES: The application was filed on March 17, 2017 and amended on June 28, 2017 and October 16, 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 November 17, 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: Joshua Ratner, Pacific Investment Management Company LLC, 1633 Broadway, New York, New York 10019 and Robert W. Helm, Brendan C. Fox, Dechert LLP, 1900 K Street NW., Washington, DC 20006.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Senior Counsel, at (202) 551-6876 or Robert H. Shapiro, Branch Chief, at (202) 551-6821 (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 an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

Summary of the Application

1. Applicants request an order that would permit the applicants to participate in an interfund lending facility where each Fund could lend money directly to and borrow money directly from other Funds to cover unanticipated cash shortfalls, such as unanticipated redemptions or trade fails.² The Funds will not borrow under

² Applicants request that the order apply to the applicants and to any existing or future registered open-end management investment company or series thereof for which the Adviser or any successor thereto or an investment adviser controlling, controlled by, or under common

the facility for leverage purposes and the loans' duration will be no more than 7 days.³

2. Applicants anticipate that the proposed facility would provide a borrowing Fund with a source of liquidity at a rate lower than the bank borrowing rate at times when the cash position of the Fund is insufficient to meet temporary cash requirements. In addition, Funds making short-term cash loans directly to other Funds would earn interest at a rate higher than they otherwise could obtain from investing their cash in repurchase agreements or certain other short term money market instruments. Thus, applicants assert that the facility would benefit both borrowing and lending Funds.

3. Applicants agree that any order granting the requested relief will be subject to the terms and conditions stated in the application. Among others, the Adviser, through a designated committee, would administer the facility as a disinterested fiduciary as part of its duties under the investment management and administrative agreements with the Funds and would receive no additional fee as compensation for its services in connection with the administration of the facility.⁴ The facility would be subject to oversight and certain approvals by the Funds' Board, including, among others, approval of the interest rate formula and of the method for allocating loans across Funds, as well as review of the process in place to evaluate the liquidity implications for the Funds. A Fund's aggregate outstanding interfund loans will not exceed 15% of its net assets, and the Fund's loans to any one Fund will not exceed 5% of the lending Fund's net assets.⁵

4. Applicants assert that the facility does not raise the concerns underlying section 12(d)(1) of the Act given that the Funds are part of the same group of investment companies and there will be no duplicative costs or fees to the

control with the Adviser or any successor thereto serves as investment adviser (each a "Fund" and collectively the "Funds" and each such investment adviser an "Adviser"). For purposes of the requested order, "successor" is limited to any entity that results from a reorganization into another jurisdiction or a change in the type of a business organization.

³ Any Fund, however, will be able to call a loan on one business day's notice.

⁴ Members of the designated committee may include one or more investment professionals, including individuals involved in making investment decisions regarding short-term investments.

⁵ Under certain circumstances, a borrowing Fund will be required to pledge collateral to secure the loan.

Funds.⁶ Applicants also assert that the proposed transactions do not raise the concerns underlying sections 17(a)(1), 17(a)(3), 17(d) and 21(b) of the Act as the Funds would not engage in lending transactions that unfairly benefit insiders or are detrimental to the Funds. Applicants state that the facility will offer both reduced borrowing costs and enhanced returns on loaned funds to all participating Funds and each Fund would have an equal opportunity to borrow and lend on equal terms based on an interest rate formula that is objective and verifiable. With respect to the relief from section 17(a)(2) of the Act, applicants note that any collateral pledged to secure an interfund loan would be subject to the same conditions imposed by any other lender to a Fund that imposes conditions on the quality of or access to collateral for a borrowing (if the lender is another Fund) or the same or better conditions (in any other circumstance).⁷

5. Applicants also believe that the limited relief from section 18(f)(1) of the Act that is necessary to implement the facility (because the lending Funds are not banks) is appropriate in light of the conditions and safeguards described in the application and because the open-end Funds would remain subject to the requirement of section 18(f)(1) that all borrowings of the open-end Fund, including combined interfund loans and bank borrowings, have at least 300% asset coverage.

6. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 12(d)(1)(j) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part

⁶ Applicants state that the obligation to repay an interfund loan could be deemed to constitute a security for the purposes of sections 17(a)(1) and 12(d)(1) of the Act.

⁷ Applicants state that any pledge of securities to secure an interfund loan could constitute a purchase of securities for purposes of section 17(a)(2) of the Act.

of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Rule 17d-1(b) under the Act provides that in passing upon an application filed under the rule, the Commission will consider whether the participation of the registered investment company in a joint enterprise, joint arrangement or profit sharing plan on the basis proposed is consistent with the provisions, policies and purposes of the Act and the extent to which such participation is on a basis different from or less advantageous than that of the other participants.

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

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81918; File No. SR-NYSEArca-2017-98]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To List and Trade Shares of The Gold Trust Under NYSE Arca Rule 8.201-E

October 23, 2017.

I. Introduction

On August 30, 2017, NYSE Arca, Inc. (“NYSE Arca” or “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 of The Gold Trust under NYSE Arca Rule 8.201-E. The proposed rule change was published for comment in the **Federal Register** on September 15, 2017.³ On September 28, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The Commission has not

received any comments on the proposed rule change. This order approves the proposed rule change, as modified by Amendment No. 1.

II. The Description of the Proposed Rule Change, as Modified by Amendment No. 1⁵

The Exchange proposes to list and trade shares (“Shares”) of The Gold Trust (“Trust”), a series of the World Currency Gold Trust (“WCGT”),⁶ under NYSE Arca Rule 8.201-E.⁷ NYSE Arca Rule 8.201-E governs the listing and trading, or trading pursuant to unlisted trading privileges, of Commodity-Based Trust Shares on the Exchange.⁸

The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the expenses of the Trust’s operations. The Trust will not trade in gold futures, options, or swap contracts on any futures exchange or over the counter. The Trust will not hold or trade in commodity futures contracts,

(“ISG”); (2) stated that the net asset value (“NAV”) of the Trust will be published by the Sponsor (as defined herein) by 5:30 p.m., Eastern time on each day that the NYSE Arca is open for regular trading and will be posted on the Trust’s Web site; (3) clarified that the intraday indicative value (“IIV”) per Share for the Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange’s Core Trading Session (as defined in the Exchange’s rules); and (4) stated that the Web site for the Trust will provide the two most recent reports to stockholders. Amendment No. 1 also made non-substantive, technical amendments. Amendment No. 1 is available at: <https://www.sec.gov/comments/sr-nysearca-2017-98/nysearca201798-2614707-161129.pdf>. Amendment No. 1 is not subject to notice and comment because it is a technical amendment that does not materially alter the substance of the proposed rule change or raise any novel regulatory issues.

⁵ A more detailed description of the Trust and the Shares, as well as investment risks, creation and redemption procedures, NAV calculation, availability of information and fees, among other things, is included in the Registration Statement, *infra* note 7, and in Amendment No. 1, *supra* note 4.

⁶ According to the Exchange, WCGT is a Delaware statutory trust consisting of multiple series, each of which issues common units of beneficial interest, which represent units of fractional undivided beneficial interest in and ownership of such series. The term of WCGT and each series will be perpetual (unless terminated earlier in certain circumstances).

⁷ On August 29, 2017, WCGT submitted to the Commission its draft registration statement on Form S-1 with respect to the Trust (“Registration Statement”) under the Securities Act of 1933 (“1933 Act”).

⁸ A “Commodity-Based Trust Share” is a security (a) that is issued by a trust that holds a specified commodity deposited with the trust; (b) that is issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity. See NYSE Arca Rule 8.201-E(c)(1).

commodity interests, or any other instruments regulated by the Commodity Exchange Act. The Trust will take delivery of physical gold that complies with the London Bullion Market Association (“LBMA”) gold delivery rules. According to the Exchange, the Shares, which are Commodity Based Trust Shares, will represent investors’ discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust.

The sponsor of the Trust is WGC USA Asset Management Company, LLC (“Sponsor”). The sole trustee of WCGT is Delaware Trust Company. BNY Mellon Asset Servicing, a division of The Bank of New York Mellon (“BNYM”), will be the Trust’s administrator and transfer agent. BNYM will serve as the custodian of the Trust’s cash, if any. A bank will serve as the custodian of the Trust’s gold.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange’s proposed rule change, as modified by Amendment No. 1, to list and trade the Shares is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.⁹ In particular, the Commission finds that the proposal, as modified by Amendment No. 1, is consistent with Section 11A(a)(1)(C)(iii) of the Act,¹⁰ 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. The last-sale price for the Shares will be disseminated over the Consolidated Tape. According to the Exchange, there is a considerable amount of information about gold and gold markets available on public Web sites and through professional and subscription services. Investors may obtain gold pricing information on a 24-hour basis based on the spot price for an ounce of gold from various financial information service providers.¹¹

⁹ 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).

¹⁰ 15 U.S.C. 78k-1(a)(1)(C)(iii).

¹¹ The Exchange states that Reuters and Bloomberg, for example, provide at no charge on their Web sites delayed information regarding the spot price of gold and last sale prices of gold futures, as well as information about news and developments in the gold market. Reuters and Bloomberg also offer a professional service to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 81568 (Sep. 11, 2017), 82 FR 43417.

⁴ Amendment No. 1 to the proposed rule change replaces and supersedes the original filing in its entirety. In Amendment No. 1, the Exchange: (1) Provided additional information regarding the futures exchanges that trade in gold futures contracts and which of those exchanges are members of the Intermarket Surveillance Group