

shares from trading at a material discount or premium from NAV.

6. With respect to Funds that hold non-U.S. Portfolio Instruments and that effect creations and redemptions of Creation Units in kind, applicants request relief from the requirement imposed by section 22(e) in order to allow such Funds to pay redemption proceeds within fourteen calendar days following the tender of Creation Units for redemption. Applicants assert that the requested relief would not be inconsistent with the spirit and intent of section 22(e) to prevent unreasonable, undisclosed or unforeseen delays in the actual payment of redemption proceeds.

7. Applicants request an exemption to permit Funds of Funds to acquire Fund shares beyond the limits of section 12(d)(1)(A) of the Act; and the Funds, and any principal underwriter for the Funds, and/or any broker or dealer registered under the Exchange Act, to sell shares to Funds of Funds beyond the limits of section 12(d)(1)(B) of the Act. The application's terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over a Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A) and (B) of the Act.

8. Applicants request an exemption from sections 17(a)(1) and 17(a)(2) of the Act to permit persons that are affiliated persons, or second-tier affiliates, of the Funds, solely by virtue of certain ownership interests, to effectuate purchases and redemptions in-kind. The deposit procedures for in-kind purchases of Creation Units and the redemption procedures for in-kind redemptions of Creation Units will be the same for all purchases and redemptions and Deposit Instruments and Redemption Instruments will be valued in the same manner as those Portfolio Instruments currently held by the Funds. Applicants also seek relief from the prohibitions on affiliated transactions in section 17(a) to permit a Fund to sell its shares to and redeem its shares from a Fund of Funds, and to engage in the accompanying in-kind transactions with the Fund of Funds.<sup>3</sup>

<sup>3</sup> The requested relief would apply to direct sales of shares in Creation Units by a Fund to a Fund of Funds and redemptions of those shares. Applicants, moreover, are not seeking relief from section 17(a) for, and the requested relief will not apply to, transactions where a Fund could be deemed an affiliated person, or a second-tier affiliate, of a Fund of Funds because an Advisor or an entity

The purchase of Creation Units by a Fund of Funds directly from a Fund will be accomplished in accordance with the policies of the Fund of Funds and will be based on the NAVs of the Funds.

9. 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)(f) 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 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.

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

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

[FR Doc. 2017-19537 Filed 9-13-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81556; File No. SR-NASDAQ-2017-061]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend Rules 4702 and 4754 Relating to the Nasdaq Closing Cross and To Make Other Related Changes

September 8, 2017.

#### I. Introduction

On July 13, 2017, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant

controlling, controlled by or under common control with an Advisor provides investment advisory services to that Fund of Funds.

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 amend Exchange Rules 4702 and 4754 relating to the Nasdaq Closing Cross and to make other related changes. The proposed rule change was published for comment in the **Federal Register** on July 27, 2017.<sup>3</sup> On August 22, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>4</sup> The Commission received no comment letters on the proposed rule change. The Commission is publishing this notice to solicit comments on Amendment No. 1 from interested persons, and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. Description of the Proposed Rule Change, as Modified by Amendment No. 1<sup>5</sup>

As described in more detail below, the Exchange proposes to enhance the operation of the Nasdaq Closing Cross by extending the time period during which members may submit LOC Orders,<sup>6</sup> and to make other changes relating to the Nasdaq Closing Cross and the Nasdaq Opening Cross.

##### A. Acceptance of LOC Orders and Related Changes

Currently, Exchange Rule 4702(b)(12)(A) provides that LOC Orders may be entered between 4:00 a.m. ET and immediately prior to 3:50 p.m. ET. The Exchange proposes to amend this rule to permit LOC orders to be entered between 3:50 p.m. ET and immediately prior to 3:55 p.m. ET, provided that there is a First Reference Price.<sup>7</sup> The Exchange proposes to define the First Reference Price to mean 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. 81188 (July 21, 2017), 82 FR 35014 (“Notice”).

<sup>4</sup> In Amendment No. 1, the Exchange proposes to remove a reference to Retail Order from Exchange Rule 4702(b)(12)(B) and to remove a reference to Retail Orders and RPI Orders from Exchange Rule 4703(l), as these two order types are no longer available on the Exchange. The Exchange also provides an example to illustrate its assertion that permitting members to submit Limit On Close (“LOC”) Orders until immediately prior to 3:55 p.m. would facilitate price discovery in the Nasdaq Closing Cross. Amendment No. 1 is available at <https://www.sec.gov/comments/sr-nasdaq-2017-061/nasdaq2017061.htm>.

<sup>5</sup> For a more detailed description of the proposal, see Notice, *supra* note 3 and Amendment No. 1, *supra* note 4.

<sup>6</sup> See Exchange Rule 4702(b)(12) (defining LOC Order).

<sup>7</sup> The Exchange proposes a related change to Exchange Rule 4702(b)(12)(B) to provide that LOC Orders and Closing Cross/Extended Hours Orders entered at or after 3:55 p.m. ET would be rejected.

Current Reference Price<sup>8</sup> in the first Order Imbalance Indicator<sup>9</sup> disseminated at or after 3:50 p.m. ET.<sup>10</sup> As proposed, a LOC Order entered between 3:50 p.m. ET and immediately prior to 3:55 p.m. ET would be accepted at its limit price, unless the limit price is higher (lower) than the First Reference Price for a LOC order to buy (sell), in which case the LOC order would be re-priced to the First Reference Price.<sup>11</sup> If the First Reference Price is not at a permissible minimum increment of \$0.01 or \$0.0001, as applicable, the First Reference Price would be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance.<sup>12</sup>

The Exchange also proposes to amend its rules relating to the LULD Closing Cross<sup>13</sup> and the Primary Contingency Procedures to reflect that LOC Orders can be entered until immediately prior to 3:55 p.m. Specifically, the Exchange proposes to amend Exchange Rule 4754(b)(6)(C)(i) to permit Market On Close (“MOC”), LOC, and Imbalance Only (“IO”) Orders intended for the Nasdaq Closing Cross that are entered into the system and placed on the book prior to a Trading Pause to remain on the book to participate in the LULD Closing Cross.<sup>14</sup> As a result, if the Exchange conducts an LULD Closing Cross, LOC Orders would be eligible to

be entered until the earlier of the Trading Pause or immediately prior to 3:55 p.m.<sup>15</sup> Similarly, the Exchange proposes to amend Exchange Rule 4754(b)(7)(B) to permit LOC Orders entered prior to 3:55 p.m. to participate in the Contingency Closing Cross.<sup>16</sup>

#### B. Closing Cross/Extended Hours Orders

Currently, Exchange Rule 4702(b)(12)(B) states that, following the Nasdaq Closing Cross, a Closing Cross/Extended Hours Order<sup>17</sup> may not operate as a Post-Only Order, Midpoint Peg Post-Only Order, Supplemental Order, Retail Order, or RPI Order. The Exchange proposes to amend this rule to provide that Post-Only Orders, Midpoint Peg Post-Only Orders, and Supplemental Orders may not operate as Closing Cross/Extended Hours Orders. According to the Exchange, these order types are eligible to participate in the Nasdaq Closing Cross as part of the continuous book, but cannot be entered with a flag designating an on-close instruction, and therefore cannot be Closing Cross/Extended Hours Orders.<sup>18</sup> The Exchange also proposes that Market Maker Peg Orders would no longer be eligible to be entered with a flag designating an on-close instruction, and therefore would no longer be able to operate as Closing Cross/Extended Hours Orders.<sup>19</sup> In addition, the Exchange proposes to delete the reference to Retail Order and RPI Order from Exchange Rule 4702(b)(12)(B), because these order types are no longer offered on the Exchange.<sup>20</sup>

Finally, Exchange Rule 4702(b)(12)(B) currently provides that certain Closing Cross/Extended Hours Orders entered between 3:50 p.m. and the time of the Nasdaq Closing Cross are treated as IO

Orders. The Exchange proposes to remove this functionality.

#### C. Order Imbalance Indicator

Currently, Exchange Rule 4752(a)(2) provides that the Order Imbalance Indicator for the Nasdaq Opening Cross includes, among other things, the Current Reference Price, the Imbalance, and the number of paired shares. The definitions of Imbalance,<sup>21</sup> Current Reference Price,<sup>22</sup> and the number of paired shares<sup>23</sup> currently include Open Eligible Interest.<sup>24</sup> The Exchange proposes to delete references to Open Eligible Interest from these definitions.<sup>25</sup> According to the Exchange, in practice, Open Eligible Interest is not included in the Imbalance, the Current Reference Price, or the number of paired shares.<sup>26</sup>

Similarly, Exchange Rule 4754(a)(7) provides that the Order Imbalance Indicator for the Nasdaq Closing Cross includes, among other things, the Current Reference Price, the Imbalance, and the number of paired shares. The definitions of Imbalance,<sup>27</sup> Current Reference Price,<sup>28</sup> and the number of paired shares<sup>29</sup> currently include Close Eligible Interest.<sup>30</sup> The Exchange proposes to delete references to Close Eligible Interest from these definitions.<sup>31</sup> According to the Exchange, in practice, Close Eligible Interest is not included in the Imbalance, the Current Reference Price, or the number of paired shares.<sup>32</sup>

#### D. Implementation

The Exchange proposes to implement the functionality described in the proposal in a symbol-by-symbol rollout in either Q3 or Q4 2017.<sup>33</sup> The Exchange

<sup>8</sup> See Exchange Rule 4754(a)(7)(A) (defining Current Reference Price for the Nasdaq Closing Cross).

<sup>9</sup> See Exchange Rule 4754(a)(7) (defining Order Imbalance Indicator for the Nasdaq Closing Cross).

<sup>10</sup> See proposed Exchange Rule 4754(a)(9). According to the Exchange, if there is no First Reference Price, a value of zero will be disseminated in the first Order Imbalance Indicator, and a non-zero value indicates that there is a First Reference Price. See Notice, *supra* note 3, at 35015 n.16. The Exchange also states that the presence of a First Reference Price indicates that there is matched buy and sell interest that is eligible to participate in the Nasdaq Closing Cross. See *id.*, at 35015.

<sup>11</sup> See proposed changes to Exchange Rule 4702(b)(12)(A).

<sup>12</sup> See *id.*

<sup>13</sup> The Exchange currently uses the LULD Closing Cross when a Trading Pause pursuant to Exchange Rule 4120(a)(12) is triggered at or after 3:50 p.m. and before 4:00 p.m. See Exchange Rule 4754(b)(6). The Commission recently approved a proposed rule change that provided that the LULD Closing Cross would be used when a Trading Pause exists at or after 3:50 p.m. and before 4:00 p.m. See Securities Exchange Act Release No. 79876 (January 25, 2017), 82 FR 8888 (January 31, 2017) (SR-NASDAQ-2016-131). The Exchange represents that the recently approved change is not yet operative, and the discussion in this proposed rule change is based on currently implemented functionality. See Notice, *supra* note 3, at 35015 n.19.

<sup>14</sup> The Exchange also proposes a conforming change to Exchange Rule 4754(b)(6)(C)(iii).

<sup>15</sup> See Notice, *supra* note 3, at 35015. This change would also correct the rule to reflect that, consistent with current functionality, IO Orders entered prior to a Trading Pause would participate in the LULD Closing Cross, instead of only those IO Orders entered prior to 3:50 p.m. See *id.* MOC Orders entered after 3:50 p.m. would continue to be rejected, and therefore would not be eligible for the LULD Closing Cross. See *id.*, at 35015 n.21.

<sup>16</sup> The Exchange also proposes to correct a typographical error in Exchange Rule 4754(b)(7)(E). In addition, the Exchange proposes to amend Exchange Rule 4754(b)(5), related to auxiliary procedures for the Closing Cross, to correct an erroneous subparagraph cross-reference from (c)(2)(D) to (b)(2)(E).

<sup>17</sup> See Exchange Rule 4702(b)(12)(B) (defining Closing Cross/Extended Hours Order).

<sup>18</sup> See Notice, *supra* note 3, at 35016.

<sup>19</sup> See proposed changes to Exchange Rule 4702(b)(12)(B) and Notice, *supra* note 3, at 35016.

<sup>20</sup> See Amendment No. 1, *supra* note 4. See also proposed changes to Exchange Rule 4703(1) (deleting a reference to Retail Orders and RPI Orders).

<sup>21</sup> See Exchange Rule 4752(a)(1) (defining Imbalance for the Nasdaq Opening Cross).

<sup>22</sup> See Exchange Rule 4752(a)(2)(A) (defining Current Reference Price for the Nasdaq Opening Cross).

<sup>23</sup> See Exchange Rule 4752(a)(2)(B) (describing the calculation of the number of paired shares for the Nasdaq Opening Cross).

<sup>24</sup> See Exchange Rule 4752(a)(8) (defining Open Eligible Interest).

<sup>25</sup> See proposed changes to Exchange Rules 4752(a)(1), 4752(a)(2)(A)(i), and 4752(a)(2)(B).

<sup>26</sup> See Notice, *supra* note 3, at 35016–17.

<sup>27</sup> See Exchange Rule 4754(a)(2) (defining Imbalance for the Nasdaq Closing Cross).

<sup>28</sup> See Exchange Rule 4754(a)(7)(A)(i) (defining Current Reference Price for the Nasdaq Closing Cross).

<sup>29</sup> See Exchange Rule 4754(a)(7)(B) (describing the calculation of the number of paired shares for the Nasdaq Closing Cross).

<sup>30</sup> See Exchange Rule 4754(a)(1) (defining Close Eligible Interest).

<sup>31</sup> See proposed changes to Exchange Rules 4754(a)(2), 4754(a)(7)(A)(i), and 4754(a)(7)(B).

<sup>32</sup> See Notice, *supra* note 3, at 35016–17.

<sup>33</sup> See *id.*, at 35017.

will announce the implementation date and the symbol rollout in an Equity Trader Alert issued to members prior to the implementation date.<sup>34</sup>

### III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>35</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>36</sup> 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, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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.

As discussed above, the Exchange proposes to permit members to submit LOC Orders between 3:50 p.m. and immediately prior to 3:55 p.m. if there is a First Reference Price. The Exchange also proposes to re-price LOC Orders entered during this time period to the First Reference Price if their limit price is more aggressive than the First Reference Price. The Commission believes that these changes could encourage additional participation in the Nasdaq Closing Cross, reduce imbalances, and promote price discovery, without creating a significant impact on the price of the Nasdaq Closing Cross. In addition, as discussed above, the Exchange proposes to permit MOC, LOC, and IO Orders intended for the Closing Cross that are entered into the system and placed on the book prior to the Trading Pause to remain on the book and participate in an LULD Closing Cross. Similarly, the Exchange proposes to permit LOC Orders entered prior to 3:55 p.m. to participate in a Contingency Closing Cross. The Commission believes that these changes are consistent with the proposal to permit members to submit LOC Orders between 3:50 p.m. and immediately prior to 3:55 p.m., and would allow these LOC Orders to participate in an

LULD Closing Cross or Contingency Closing Cross.<sup>37</sup>

As discussed above, the Exchange proposes to amend Exchange Rule 4702(b)(12)(B) to identify the order types that are currently not eligible to operate as Closing Cross/Extended Hours Orders, provide that Market Maker Peg Orders cannot operate as Closing Cross/Extended Hours Orders, and delete a reference to Retail Order and RPI Order. The Commission believes that these proposed changes are reasonable. The Commission notes that, according to the Exchange, Market Maker Peg Orders are designed to assist Nasdaq members in meeting their quoting obligations, and not to submit interest flagged with an on-close instruction.<sup>38</sup> The Commission also notes that Retail Orders and RPI Orders are no longer available on the Exchange.<sup>39</sup>

Moreover, as discussed above, the Exchange proposes to amend Exchange Rule 4702(b)(12)(B) to eliminate provisions that would treat certain Closing Cross/Extended Hours Orders entered between 3:50 p.m. and the time of the Nasdaq Closing Cross as IO Orders. The Commission notes that the proposal would allow Closing Cross/Extended Hours Orders entered between 3:50 p.m. and immediately prior to 3:55 p.m. to operate as LOC Orders,<sup>40</sup> rather than converting to IO Orders, which, unlike LOC Orders, do not trade if there is no Imbalance and do not maintain price priority as a result being continuously re-priced to the best bid or offer.<sup>41</sup> The Commission also notes that Nasdaq members may continue to enter IO Orders until the time of execution of the Nasdaq Closing Cross, and may continue to enter other Close Eligible Interest on the continuous book up until the time of the Nasdaq Closing Cross.<sup>42</sup>

Finally, as discussed above, the Exchange proposes to exclude Open Eligible Interest and Close Eligible Interest from certain information disseminated in the Order Imbalance Indicator for the Nasdaq Opening Cross and the Nasdaq Closing Cross. The

<sup>37</sup> The Commission also notes that the proposal to correct a typographical error in Exchange Rule 4754(b)(7)(E) and to change a cross-reference in Exchange Rule 4754(b)(5) are technical corrections to the rules.

<sup>38</sup> See Notice, *supra* note 3, at 35018. The exchange also notes that the proposed changes to Closing Cross/Extended Hours Orders would align its on-close order handling with the characteristics of various order types. See *id.*, at 35014.

<sup>39</sup> See Amendment No. 1, *supra* note 4.

<sup>40</sup> As noted above, LOC Orders and Closing Cross/Extended Hours Orders entered after 3:55 p.m. would be rejected.

<sup>41</sup> See Notice, *supra* note 3, at 35018.

<sup>42</sup> See *id.*, at 35014.

Commission notes that, as proposed, the Imbalance, Current Reference Price, and paired shares calculations would not include types of orders that may be executed in the continuous market before the Opening Cross or the Closing Cross.<sup>43</sup> The Commission also notes that these changes would enhance transparency because they would reflect the information that is currently disseminated in the Order Imbalance Indicator.

### IV. Solicitation of Comments on Amendment No. 1 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 1 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-NASDAQ-2017-061 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2017-061. 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 the Exchange. All comments received will be posted without change;

<sup>43</sup> See *id.*, at 35018.

<sup>34</sup> See *id.*

<sup>35</sup> 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).

<sup>36</sup> 15 U.S.C. 78f(b)(5).

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–NASDAQ–2017–061, and should be submitted on or before October 5, 2017.

#### V. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of Amendment No. 1 in the *Federal Register*. In Amendment No. 1, the Exchange proposes to remove outdated references to Retail Orders and RPI Orders, which are no longer offered on the Exchange. The Commission believes that deleting these outdated references would help to bring clarity and accuracy to the Exchange rules. The Commission also believes that these changes are of a technical nature and do not materially or substantively alter the proposed rule change. In addition, in Amendment No. 1, the Exchange provides an example to illustrate and support its assertion that extending the time period for the entry of LOC orders until immediately prior to 3:55 p.m. should facilitate the price discovery mechanism of the Nasdaq Closing Cross. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>44</sup> to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>45</sup> that the proposed rule change (SR–NASDAQ–2017–061), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>46</sup>

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

[FR Doc. 2017–19478 Filed 9–13–17; 8:45 am]

**BILLING CODE 8011–01–P**

#### SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32810; File No. 812–14691]

#### The Vanguard Group, Inc., et al.

September 8, 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) actively-managed 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 Creation Units 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 (“Acquiring Funds”) to acquire shares of the Funds.

**APPLICANTS:** The Vanguard Group, Inc. (“Initial Adviser”), a Pennsylvania corporation registered as an investment adviser under the Investment Advisers Act of 1940, Vanguard Marketing Corporation (“Distributor”), a wholly-owned subsidiary of the Initial Adviser and a broker-dealer registered under the Securities Exchange Act of 1934 (“Exchange Act”), and Vanguard Admiral Funds, Vanguard Bond Index Funds, Vanguard California Tax-Free Funds, Vanguard Charlotte Funds, Vanguard Chester Funds, Vanguard Convertible Securities Fund, Vanguard Explorer Fund, Vanguard Fenway Funds, Vanguard Fixed Income Securities Funds, Vanguard Horizon Funds, Vanguard Index Funds, Vanguard International Equity Index Funds, Vanguard Malvern Funds,

Vanguard Massachusetts Tax-Exempt Funds, Vanguard Money Market Reserves, Vanguard Montgomery Funds, Vanguard Morgan Growth Fund, Vanguard Municipal Bond Funds, Vanguard New Jersey Tax-Free Funds, Vanguard New York Tax-Free Funds, Vanguard Ohio Tax-Free Funds, Vanguard Pennsylvania Tax-Free Funds, Vanguard Quantitative Funds, Vanguard Scottsdale Funds, Vanguard Specialized Funds, Vanguard STAR Funds, Vanguard Tax-Managed Funds, Vanguard Trustees’ Equity Fund, Vanguard Valley Forge Funds, Vanguard Variable Insurance Funds, Vanguard Wellesley Income Fund, Vanguard Wellington Fund, Vanguard Whitehall Funds, Vanguard Windsor Funds, and Vanguard World Fund, each a Delaware statutory trust registered under the Act as an open-end management investment company with multiple series (each a “Trust,” and together, the “Trusts”).

**FILING DATE:** The application was filed on August 17, 2016, and amended on May 19, 2017, August 22, 2017, and September 7, 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 3, 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: Brian P. Murphy, Esq., The Vanguard Group, Inc., Mail Stop V26, P.O. Box 2600, Valley Forge, PA 19482–2600.

**FOR FURTHER INFORMATION CONTACT:** Asen Parachkevov, Senior Counsel, or Daniele Marchesani, Assistant Chief Counsel, 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

<sup>44</sup> 15 U.S.C. 78s(b)(2).

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

<sup>46</sup> 17 CFR 200.30–3(a)(12).