

gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on May 11, 2018, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Express, Priority Mail, & First-Class Package Service Contract 36 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2018–153, CP2018–219.

Elizabeth Reed,

Attorney, Corporate and Postal Business Law.

[FR Doc. 2018–10469 Filed 5–15–18; 8:45 am]

BILLING CODE 7710–12–P

POSTAL SERVICE

Product Change—Priority Mail and First-Class Package Service Negotiated Service Agreement

AGENCY: Postal Service™.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List. **DATES:** *Date of required notice:* May 16, 2018.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202–268–3179.

SUPPLEMENTARY INFORMATION: The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on May 11, 2018, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail & First-Class Package Service Contract 80 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2018–152, CP2018–218.

Elizabeth Reed,

Attorney, Corporate and Postal Business Law.

[FR Doc. 2018–10468 Filed 5–15–18; 8:45 am]

BILLING CODE 7710–12–P

RAILROAD RETIREMENT BOARD

Sunshine Act: Notice of Public Meeting

Notice is hereby given in accordance with Public Law 92–463 that the Actuarial Advisory Committee will hold a meeting on June 5, 2018, at 10:00 a.m. at the office of the Chief Actuary of the U. S. Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, on the conduct of the 27th Actuarial Valuation of the Railroad Retirement System. The agenda for this meeting will include a discussion of the results and presentation of the 27th Actuarial

Valuation. The text and tables which constitute the Valuation will have been prepared in draft form for review by the Committee. It is expected that this will be the last meeting of the Committee before publication of the Valuation.

The meeting will be open to the public. Persons wishing to submit written statements or make oral presentations should address their communications or notices to the RRB Actuarial Advisory Committee, c/o Chief Actuary, U.S. Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–2092.

For the Board.

Dated: May 14, 2018.

Martha Rico-Parra,

Secretary to the Board.

[FR Doc. 2018–10541 Filed 5–14–18; 4:15 pm]

BILLING CODE 7905–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83209; File No. SR–Phlx–2018–22]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Order Granting Approval of Proposed Rule Change To Create a New Rule 1081, To Amend Electronic Market Maker Obligations and Quoting Requirements for Electronic ROTs, Which Will Be Defined To Include SQTs, RSQTs, Directed SQTs, Directed RSQTs, Specialists, and Remote Specialists

May 10, 2018.

I. Introduction

On March 20, 2018, Nasdaq PHLX LLC (“Phlx” or the “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 amend the market maker obligations and quoting requirements for an SQT, RSQT, Directed SQT, Directed RSQT, and Specialist (including Remote Specialist) who enters electronic quotations into the Exchange’s System.³ The proposed rule change was published for comment in the **Federal Register** on April 5, 2018.⁴ The Commission received no comments on the proposed rule change. This order

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See *infra* notes 5–9 for definitions of SQT, RSQT, Directed SQT, Directed RSQT, Specialist, Remote Specialist, and System.

⁴ See Securities Exchange Act Release No. 82975 (March 30, 2018), 83 FR 14690 (April 5, 2018) (“Notice”).

grants approval of the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to amend the market maker obligations and quoting requirements for an “electronic ROT,” which would be defined to include an SQT,⁵ RSQT,⁶ Directed SQT, Directed RSQT,⁷ and Specialist (including Remote Specialist)⁸ who enters electronic quotations into the Exchange’s System,⁹ and move these modified provisions to new Phlx Rule 1081.¹⁰ The Exchange notes that non-SQT ROTs¹¹ would not be subject to the proposed quoting requirements

⁵ An “ROT” is a regular member of the Exchange located on the trading floor who has received permission from the Exchange to trade in options for his own account. See Phlx Rule 1014(b)(i). A “Streaming Quote Trader” or “SQT” is an ROT who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned. An SQT may only submit such quotations while such SQT is physically present on the floor of the Exchange. An SQT may only trade in a market making capacity in classes of options in which the SQT is assigned. See Phlx Rule 1014(b)(ii)(A).

⁶ A “Remote Streaming Quote Trader” or “RSQT” is an ROT that is a member affiliated with a “Remote Streaming Quote Trader Organization” or “RSQTO” with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. See Phlx Rule 1014(b)(ii)(B). See also Phlx Rule 507(a).

⁷ A “Directed SQT” or “Directed RSQT” is an SQT or RSQT that receives a Directed Order. A “Directed Order” is any order (other than a stop or stop-limit order as defined in Phlx Rule 1066) to buy or sell which has been directed to a particular Specialist, RSQT, or SQT by an Order Flow Provider. An “Order Flow Provider” is any member or member organization that submits, as agent, orders to the Exchange. See Phlx Rule 1068(a)(i).

⁸ A “Specialist” is an Exchange member who is registered as an options specialist pursuant to Phlx Rule 501 and Phlx Rule 1020(a). A “Remote Specialist” is an options specialist that does not have a physical presence on an Exchange floor. See Phlx Rule 1020(a)(i) and (ii).

⁹ The “System” is the automated system for order execution and trade reporting owned and operated by the Exchange which comprises: (A) An order execution service that enables members to automatically execute transactions in “System Securities” (defined as all options that are currently trading on the System); and provides members with sufficient monitoring and updating capability to participate in an automated execution environment; (B) a trade reporting service that submits “locked-in” trades for clearing to a registered clearing agency for clearance and settlement; transmits last-sale reports of transactions automatically to the Options Price Reporting Authority for dissemination to the public and industry; and provides participants with monitoring and risk management capabilities to facilitate participation in a “locked-in” trading environment; and (C) the data feeds described in Phlx Rule 1070. See Phlx Rule 1000(b)(45) and (46).

¹⁰ See proposed Phlx Rule 1081.

¹¹ A non-SQT ROT is an ROT who is neither an SQT nor an RSQT. See Phlx Rule 1014(b)(ii)(C).

described herein; instead, they are subject to quarterly trading requirements as specified in Phlx Rule 1014, Commentary .01.¹²

A. Market Maker Obligations

The Exchange proposes first to amend the generalized description of the market making obligations of an electronic ROT on the Exchange. Today, the Exchange provides that transactions of a Specialist and an ROT should constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and that those members should not enter into transactions or make bids or offers that are inconsistent with such a course of dealings.¹³ In the Exchange's proposal, new Phlx Rule 1081 would specify that, in registering as an electronic ROT, a member organization would be committing to various obligations. Transactions of an electronic ROT in its market making capacity¹⁴ would be required to constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and those member organizations would not be permitted to make bids or offers or enter into transactions that are inconsistent with such course of dealings. Electronic ROTs would be prohibited from effecting purchases or sales except in a reasonable and orderly manner.¹⁵

In addition, ordinarily during trading hours, an electronic ROT would be required to: (i) Maintain a two-sided market in those options in which the electronic ROT is registered to trade, in a manner that enhances the depth, liquidity, and competitiveness of the market; (ii) engage, to a reasonable degree under the existing circumstances, in dealings for its own account when there exists, or it is reasonably anticipating that there will exist, a lack of price continuity, a temporary disparity between the supply of (or demand for) a particular option contract, or a temporary distortion of price relationships between option contracts of the same class; (iii) compete with other electronic ROTs in all options in all capacities in which the electronic ROT is registered to trade; (iv) make markets that will be honored for the number of contracts entered into the

System in all options in which the electronic ROT is registered to trade; (v) update quotations in response to changed market conditions in all options in which the electronic ROT is registered to trade; (vi) maintain active markets in all options in which the electronic ROT is registered; and (vii) honor all orders attributed to the electronic ROT that the System routes to away markets pursuant to Phlx Rule 1080(m).¹⁶

The proposed rules provide further that, if Phlx Regulation found any substantial or continued failure to engage in a course of dealings as described above, the electronic ROT would be subject to disciplinary action or suspension or revocation of registration in one or more of the securities in which the electronic ROT is registered. The proposed rule stipulates that nothing in the rule would limit any other power of the Board under the rules, or procedures of the Exchange, with respect to the registration of an ROT or any violation by an ROT pursuant to the rule.¹⁷ The Exchange states that the proposed obligations are similar to those imposed on market makers by another options exchange.¹⁸

B. Quoting Requirements

The Exchange further proposes to amend the quoting requirements for electronic ROTs. Electronic ROTs would be required to enter bids and offers for the options to which they are registered, except in an assigned options series listed intra-day on the Exchange. On a daily basis, an electronic ROT would be required to make markets consistent with the applicable quoting requirements, as described further below. A member organization would be required to meet each quoting requirement separately depending on the role that the member organization plays with respect to different options series.¹⁹

¹⁶ See proposed Phlx Rule 1081(a).

¹⁷ See proposed Phlx Rule 1081(b). The Exchange explains that it added this rule text to make clear that the obligations noted within this proposed rule are not an exclusive list, because an electronic ROT may be found to have violated other by-laws and rules of the Exchange that are separate and apart from these obligations. See Notice, *supra* note 4, at 14691 n.9.

¹⁸ See Notice, *supra* note 4, at 14690–91 & n.8. See also BX Rules at Chapter VII, Section 5.

¹⁹ See proposed Phlx Rule 1081(c). Specifically, the proposed rule states that an SQT and RSQT who is also the Specialist would be held to the quoting requirements for Specialists in options series in which the Specialist is assigned and would be held to the quoting requirements for SQTs and RSQTs in all other options series where assigned. An SQT or RSQT who receives a Directed Order would be held to the quoting requirements for Directed SQTs and Directed RSQTs. See *id.*

The proposed rules would state explicitly that an electronic ROT's bid and offer for a series of options contracts would need to be accompanied by the number of contracts at that price that the electronic ROT is willing to buy or sell. Similar to under current rules, the best bid or best offer submitted by an electronic ROT would be required to have a size of not less than the minimum number of contracts determined by the Exchange on a class-by-class basis, which minimum will be at least one contract.²⁰ The new rule would also state that an electronic ROT that enters a bid in a registered option series would be required to enter an offer and vice versa. The quotations would need to meet the legal quote width requirements in Phlx Rule 1014(c)(i)(A)(1) and (2).²¹

With respect to the specific quoting requirements, currently, the Exchange requires an SQT and an RSQT to quote two-sided markets in not less than 60% of the series in which such SQT or RSQT is assigned. To satisfy these requirements when quoting a series, an SQT or RSQT must quote such series 90% of the trading day (as a percentage of the total number of minutes in such trading day) or such higher percentage as the Exchange may announce in advance. These obligations apply collectively to all appointed issues, rather than on an issue-by-issue basis.²² Under the proposal, SQTs and RSQTs associated with the same member organization would be collectively required to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance, for which that member organization's assigned option series are open for trading.²³

In addition, currently, the Exchange requires a Specialist, including an RSQT functioning as a Remote Specialist, to quote two-sided markets in the lesser of 99% of the series or 100% of the series minus one call-put pair in each option in which such Specialist is assigned. To satisfy these requirements when quoting a series, a Specialist must quote such series 90% of the trading day (as a percentage of the total number of minutes in such trading day) or such

²⁰ See proposed Phlx Rule 1081(c)(i). See also Phlx Rule 1014(b)(ii)(D)(3) (specifying the minimum contract size for SQTs, RSQTs, and Specialists), the current equivalent provision that is being replaced.

²¹ See proposed Phlx Rule 1081(c)(ii).

²² See Phlx Rule 1014(b)(ii)(D)(1).

²³ See proposed Phlx Rule 1081(c)(ii)(A). See *infra*, notes 35–36 and accompanying text, regarding the method by which the percentage would be calculated.

¹² See Notice, *supra* note 4, at 14690.

¹³ See Phlx Rule 1014(a).

¹⁴ According to the Exchange, orders, which electronic ROTs may enter pursuant to Phlx Rule 1080(b)(i)(B), are not considered market making activity for purposes of fulfilling the proposed quoting requirements or other obligations. See Notice, *supra* note 4, at 14690 n.5.

¹⁵ See proposed Phlx Rule 1081(a).

higher percentage as the Exchange may announce in advance. These obligations apply collectively to all appointed issues, rather than on an issue-by-issue basis.²⁴ Under the proposal, Specialists (including Remote Specialists) associated with the same member organization would be collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance, for which that member organization's assigned options series are open for trading.²⁵ The Exchange states that the Specialists' heightened quoting requirements as compared to SQTs and RSQTs allow for Specialists to receive certain participation rights.²⁶

Further, currently, the Exchange requires a Directed SQT and a Directed RSQT to quote two-sided markets in the lesser of 99% of the series listed on the Exchange or 100% of the series listed on the Exchange minus one call-put pair,²⁷ in each case in at least 60% of the options in which such Directed SQT or Directed RSQT is assigned.²⁸ To satisfy these requirements when quoting a series, a Directed SQT or Directed RSQT must quote such series 90% of the trading day (as a percentage of the total number of minutes in such trading day) or such higher percentage as the Exchange may announce in advance. These obligations apply collectively to all appointed issues, rather than on an issue-by-issue basis.²⁹ Under the proposal, Directed SQTs and Directed RSQTs associated with the same member organization would be collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance, for which that member organization's assigned options series are open for trading. A member organization would be considered

directed in all assigned options once the member organization receives a Directed Order in any option in which they are assigned and would be considered a Directed SQT or Directed RSQT until such time as the member organization notifies the Exchange that they are no longer directed.³⁰ The Exchange notes that the Directed SQTs and Directed RSQTs' heightened quoting requirements as compared to SQTs and RSQTs allow for Directed SQTs and Directed RSQTs to receive certain participation rights.³¹

The Exchange states that the proposal better accommodates the occasional issues that may arise in a particular series, arguing that the existing quoting requirements may at times discourage liquidity in particular options series because an electronic ROT is forced to focus on a momentary lapse, rather than using the appropriate resources to focus on the options series that need and consume additional liquidity.³²

For SQTs, RSQTs, Directed SQTs, and Directed RSQTs, the Exchange would continue to exclude from the above quoting requirements any Quarterly Option Series, Adjusted Option Series, and any option series until the time to expiration for such series is less than nine months.³³ Specialists would continue to be subject to the above quoting requirements for all assigned option series, including Quarterly Option Series, Adjusted Option Series, and any option series with an expiration of nine months or greater.³⁴

The Exchange would calculate compliance with the above quoting requirements by (i) taking the total number of seconds the member organization disseminates quotes in each assigned option series;³⁵ and (ii) dividing that time by the eligible total number of seconds each assigned option series is open for trading that day.

Quoting would not be required in every assigned options series and compliance with this requirement would be determined by reviewing the aggregate of quoting in assigned options series for the member organization.³⁶ Similar to current requirements, the Exchange would consider exceptions to the quoting requirements based on demonstrated legal or regulatory requirements or other mitigating circumstances. The Exchange would determine compliance with quoting requirements on a monthly basis.

However, this monthly compliance evaluation would not relieve a member organization of the obligation to provide continuous two-sided quotes on a daily basis or prohibit the Exchange from taking disciplinary action against a member organization for failure to meet the quoting requirements each trading day.³⁷ If a technical failure or limitation of a System of the Exchange prevents a member organization from maintaining, or prevents a member organization from communicating to the Exchange timely and accurate quotes, the duration of such failure or limitation would not be included in any calculation of quoting requirements with respect to the affected quotes.³⁸

The Exchange states that the proposed quoting requirements as described above are similar to those of another options exchange.³⁹

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁴⁰ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁴¹ 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

²⁴ See Phlx Rule 1014(b)(ii)(D)(2).

²⁵ See proposed Phlx Rule 1081(c)(ii)(B). See *infra*, notes 35–36 and accompanying text, regarding the method by which the percentage would be calculated.

²⁶ See Notice, *supra* note 4, at 14693. See also Phlx Rules 1014(g)(ii) and 1014(g)(vii)(B)(1)(c).

²⁷ "Call-put pair" refers to one call and one put that cover the same underlying instrument and have the same expiration date and exercise price. See Phlx Rule 1014(b)(ii)(D)(6).

²⁸ See Phlx Rule 1014(b)(ii)(D)(1). Whenever a Directed SQT or Directed RSQT enters a quotation in an option in which such Directed SQT or Directed RSQT is assigned, such Directed SQT or Directed RSQT must maintain until the close of that trading day quotations for the lesser of 99% of the series of the option listed on the Exchange or 100% of the series of the option listed on the Exchange minus one call-put pair. See *id.*

²⁹ See *id.*

³⁰ See proposed Phlx Rule 1081(c)(ii)(C). See *infra*, notes 35–36 and accompanying text, regarding the method by which the percentage would be calculated.

³¹ See Notice, *supra* note 4, at 14693. See also Phlx Rule 1014(g)(viii)(B).

³² See Notice, *supra* note 4, at 14695.

³³ See proposed Phlx Rule 1081(c)(ii)(A) and (C). See also Phlx Rule 1014(b)(ii)(D)(4), the current equivalent provision that is being replaced. An "Adjusted Option Series" would be defined as an option series wherein one option contract in the series represents the delivery of other than 100 shares of underlying stock or Exchange-Traded Fund Shares. See proposed Phlx Rule 1081(c)(ii)(A)(i). See also Phlx Rule 1014(b)(ii)(D)(4).

³⁴ See proposed Phlx Rule 1081(c)(ii)(B).

³⁵ With respect to SQTs, RSQTs, Directed SQTs, and Directed RSQTs, such calculation would exclude Quarterly Option Series, Adjusted Option Series, and any option series with an expiration of nine months or greater. See proposed Phlx Rule 1081(c)(ii)(D).

³⁶ See proposed Phlx Rule 1081(c)(ii)(D). See Notice, *supra* note 4, at 14694, for an example of how the Exchange would calculate compliance with the quoting requirements.

³⁷ See proposed Phlx Rule 1081(c)(iii). See also Phlx Rule 1014(b)(ii)(D)(1) and (2), the current equivalent provision that is being replaced.

³⁸ See proposed Phlx Rule 1081(c)(iv). See also Phlx Rule 1014(b)(ii)(D)(5), the current equivalent provision that is being replaced.

³⁹ See Notice, *supra* note 4, at 14692–93. See also BX Rules at Chapter VII, Sections 6, 14, and 15.

⁴⁰ 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).

⁴¹ 15 U.S.C. 78f(b)(5).

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.

The Exchange proposes to add specificity regarding the general description in its rules regarding market maker obligations of an electronic ROT. The Commission finds that the changes it is making in this regard are consistent with the Act and notes that, as the Exchange maintains, the changes are consistent with the rules of another options exchange.⁴²

The Exchange proposes to reduce the specific quoting requirements for electronic ROTs of the various types. SQTs and RSQTs associated with the same member organization would be collectively required to provide two-sided quotations in 60% of the cumulative number of seconds for which that member organization's assigned option series are open for trading. Specialists (including Remote Specialists) associated with the same member organization would be collectively required to provide two-sided quotations in 90% of the cumulative number of seconds for which that member organization's assigned option series are open for trading. Similarly, Directed SQTs and Directed RSQTs associated with the same member organization would be collectively required to provide two-sided quotations in 90% of the cumulative number of seconds for which that member organization's assigned option series are open for trading. The Exchange would be able to designate a higher percentage for any of these quoting requirements by announcing such percentage in advance.

These quoting requirements would apply to all of an electronic ROT's assigned options on a daily basis. These quoting requirements would be reviewed on a monthly basis, and would allow the Exchange to review the electronic ROT's daily compliance in the aggregate and determine the appropriate disciplinary action for single or multiple failures to comply with the continuous quoting requirement during the month period. The Commission notes that the proposed rules provide that determining compliance with the continuous quoting requirements on a monthly basis would not relieve the electronic ROT of the obligation to provide continuous two-sided quotes on a daily basis, nor would it prohibit the Exchange from taking

disciplinary action against an electronic ROT for failing to meet the continuous quoting requirements each trading day.

The Commission finds that the proposed changes to the quoting requirements of electronic ROTs are consistent with the Act. The Exchange believes that the revised requirements will enable electronic ROTs to focus on the options series that need and consume more liquidity than others. To the extent this is true, the proposal will enhance trading opportunities on the Exchange. Moreover, the Commission believes that, although the proposal would reduce the quoting requirements for the various electronic ROTs from their current levels, the proposed changes are consistent, as the Exchange argues, with the market maker quoting requirements in place on other markets.⁴³ The Commission further notes that, notwithstanding the proposed changes to the quoting requirements for Specialists, Directed SQTs, and Directed RSQTs, the revised quoting requirements continue to reflect meaningful market making obligations. Additionally, the proposed rules reflect a balance of rights and obligations consistent with the balance reflected in the rules of other exchanges for market participants fulfilling a similar role.⁴⁴ In addition, the Commission believes that the proposed changes to provide additional detail about how the Exchange will apply these quoting requirements adds further clarity to the rules.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁴⁵ that the proposed rule change (SR-Phlx-2018-22), be, and hereby is, approved.

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

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018-10379 Filed 5-15-18; 8:45 am]

BILLING CODE 8011-01-P

⁴³ See, e.g., BX Rules, Chapter VII, Sections 6, 14, and 15; NYSE American Rules 925.1NY and 964.1NY; NYSE Arca Rules 6.37B-O and 6.88-O.

⁴⁴ See, e.g., Nasdaq GEMX Rules 713 and 804; Nasdaq ISE Rules 713 and 804; Nasdaq MRX Rules 713 and 804. See also *supra* notes 26 and 31 and accompanying text.

⁴⁵ *Id.*

⁴⁶ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33095; File No. 812-14819]

Franklin Alternative Strategies Funds, et al.

May 10, 2018.

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 supersede a prior order and that would permit certain registered management investment companies to participate in a joint lending and borrowing facility.¹

APPLICANTS: Franklin Alternative Strategies Funds, Franklin California Tax-Free Income Fund, Franklin California Tax-Free Trust, Franklin Custodian Funds, Franklin ETF Trust, Franklin Federal Tax-Free Income Fund, Franklin Floating Rate Master Trust, Franklin Fund Allocator Series, Franklin Global Trust, Franklin Gold and Precious Metals Fund, Franklin High Income Trust, Franklin Investors Securities Trust, Franklin Managed Trust, Franklin U.S. Government Money Fund, Franklin Municipal Securities Trust, Franklin Mutual Series Funds, Franklin New York Tax-Free Income Fund, Franklin New York Tax-Free Trust, Franklin Real Estate Securities Trust, Franklin Strategic Mortgage Portfolio, Franklin Strategic Series, Franklin Tax-Free Trust, Franklin Templeton ETF Trust, Franklin Templeton Global Trust, Franklin Templeton International Trust, Franklin Templeton Money Fund Trust, Franklin Templeton Variable Insurance Products Trust, Franklin Value Investors Trust, Institutional Fiduciary Trust, Templeton China World Fund, Templeton Developing Markets Trust, Templeton Funds, Templeton Global Investment Trust, Templeton Global Opportunities Trust, Templeton Global Smaller Companies Fund, Templeton Growth

¹ Franklin Gold Fund, et al., Investment Company Act Release Nos. 24016 (Sept. 16, 1999) and 24080 (Oct. 13, 1999).

⁴² See BX Rules, Chapter VII, Section 5.