

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 34198; 812-15205]

Infinity Q Diversified Alpha Fund, a Series of Trust for Advised Portfolios, and Infinity Q Capital Management, LLC; Notice of Application and Temporary Order

February 22, 2021

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice of application and a temporary order under Section 22(e)(3) of the Investment Company Act of 1940 (the “Act”).

Summary of Application: Applicants request a temporary order to permit Infinity Q Diversified Alpha Fund (the “Fund”), a series of Trust for Advised Portfolios (the “Trust”), to suspend the right of redemption of its outstanding redeemable securities.

Applicants: The Trust, on behalf of the Fund, and Infinity Q Capital Management LLC, the Fund’s investment adviser (“Infinity Q” and together with the Trust, the “Applicants”).

Filing Date: The application was filed on February 22, 2021.

Hearing or Notification of Hearing: Interested persons may request a hearing by writing to the Commission’s Secretary at [Secretarys-Office@sec.gov](mailto:Secretarys-Office@sec.gov) 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 March 19, 2021, 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, U.S. Securities and Exchange Commission, Secretarys-Office@sec.gov.

Applicants: Trust, on behalf of the Fund, c/o U.S. Bank Global Fund Services, P.O. Box 701 Milwaukee, Wisconsin 53201-0701, with copies to Christopher D. Menconi, Esq., Ivan P. Harris, Esq., Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue, NW, Washington, DC 20004; Infinity Q, 888 Seventh Avenue, Suite 3700, New York, NY 10106, with copies to Alexander J. Willscher, Esq., Frederick Wertheim, Esq., Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004.

For Further Information, Contact: Daniel T. Gallagher, Attorney-Adviser, Jennifer L. Sawin, Senior Counsel, or Janet M. Grossnickle, Assistant Director, at (202) 551-6821 (Division of Investment Management, Chief Counsel's Office).

Supplementary Information: The complete application may be obtained via the Commission's website by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

Background:

1. The Trust is registered under the Act as an open-end series management investment company. Infinity Q is the investment adviser to the Fund, a series of the Trust. Infinity Q is registered as an investment adviser under the Investment Advisers Act of 1940. Infinity Q valued its assets under management as of January 31, 2021, at approximately \$3.0 billion, of which approximately \$1.8 billion was attributable to the Fund. The Fund is a "commodity pool" under the U.S. Commodity Exchange Act, and Infinity Q is a "commodity pool operator" registered with and regulated by the Commodity Futures Trading Commission.

2. Applicants state that the request for relief arises from Infinity Q's inability, as required under the Fund's valuation procedures, to value certain Fund holdings and the Fund's

resulting inability to calculate net asset value (“NAV”). According to Applicants, the Fund’s current portfolio includes swap instruments (the “Swaps”) for which Infinity Q calculates fair value using models provided by a third-party pricing vendor. Applicants state that as of February 18, 2021, the Fund’s reported NAV was derived using a valuation for these Swaps that resulted in the value of the Swaps constituting approximately 18% of the Fund’s reported NAV. Applicants state that on February 18, 2021, based on information learned by the Commission staff and shared with Infinity Q, Infinity Q informed the Fund that Infinity Q’s Chief Investment Officer had been adjusting certain parameters within the third-party pricing model that affected the valuation of the Swaps. Applicants state that on February 19, 2021, Infinity Q informed the Fund that at such time it was unable to conclude that these adjustments were reasonable, and, further, that it was unable to verify that the values it had previously determined for the Swaps were reflective of fair value. Applicants state further that Infinity Q also informed the Fund that it would not be able to calculate a fair value for any of the Swaps in sufficient time to calculate an accurate NAV for at least several days.

3. Applicants represent that they have begun the effort to value these Swap positions accurately and have retained an independent valuation expert. They currently believe that this may take several days or weeks. Applicants state that Infinity Q and the Fund are also determining whether the fair values previously calculated for positions other than the Swaps are reliable, and the extent of the impact on historical valuations. According to Applicants, as a result, the Fund was unable to calculate an NAV on February 19, 2021, and it is uncertain when the Fund will be able to calculate an NAV that would enable it to satisfy requests for redemptions of Fund shares.

4. Applicants believe that the best course of action for current and former shareholders of the Fund is to liquidate the Fund in a reasonable period of time, determine the extent and impact

of the historical valuation errors, and return the maximum amount of proceeds to such shareholders. Applicants represent that relief permitting the Fund to suspend redemptions and postpone the date of payment of redemption proceeds with respect to redemption orders received but not yet paid will permit the Fund to arrive at a valuation for the Swaps and any other portfolio holdings for which current and reliable market quotations are not available, and to liquidate its holdings in an orderly manner.

Relief Requested:

1. Applicants request an order pursuant to Section 22(e) of the Act to suspend the right of redemption with respect to shares of the Fund effective February 19, 2021, and postpone the date of payment of redemption proceeds with respect to redemption orders received but not yet paid as of February 22, 2021, for more than seven days after the tender of securities to the Fund, until the Fund completes the liquidation of its portfolio and distributes all its assets to current and former shareholders, as described in the conditions, or until the Commission rescinds the order granted herein. Applicants believe that the relief requested is appropriate for the protection of shareholders of the Fund.

Applicants' Legal Analysis:

1. Section 22(e)(1) of the Act provides that a registered investment company may not suspend the right of redemption or postpone the date of payment or satisfaction upon redemption of any redeemable security in accordance with its terms for more than seven days after the tender of such security to the company or its designated agent except for any period during which the New York Stock Exchange ("NYSE") is closed other than customary week-end and holiday closings, or during which trading on the NYSE is restricted.

2. Section 22(e)(3) of the Act provides that redemptions may be suspended by a registered investment company for such other periods as the Commission may by order permit for the protection of security holders of the registered investment company.

3. Applicants submit that granting the requested relief would be for the protection of the shareholders of the Fund, as provided in Section 22(e)(3) of the Act. Applicants assert that in requesting an order by the Commission, the goal of the Board of Trustees of the Trust (the “Board”) and Infinity Q is to ensure that the Fund’s current and former shareholders will be treated appropriately in view of the otherwise detrimental effect on the Fund of Infinity Q’s inability to calculate a fair value for any of the Swaps and an accurate NAV for the fund. The requested relief is intended to permit an orderly liquidation of the Fund’s portfolio and ensure that all of the shareholders are protected in the process.

Applicants’ Conditions:

Applicants agree that any order of the Commission granting the requested relief will be subject to the following conditions:

1. The Board, including a majority of the independent Trustees, will: (A) create a plan for the orderly liquidation of Fund assets (“Asset Liquidation Plan”) and will submit the Asset Liquidation Plan to the staff of the Division of Investment Management no later than March 1, 2021; and (B) create a plan for making appropriate payments to current and former Fund shareholders (the “Plan of Distribution”), including those whose redemption orders have been received but not paid, and will submit the Plan of Distribution to the staff of the Division of Investment Management no

later than 90 days following the date of the order.<sup>1</sup> The Asset Liquidation Plan and the Plan of Distribution will be subject to the supervision of the Commission.

2. The Trust, on behalf of the Fund, will engage an independent third party to assist in determining the fair value of the Swaps and any other Fund holdings for which current and reliable market quotations are not readily available, including re-evaluating the historical valuations of the Fund.

3. Without the prior written approval of the Board or the Board's designee (other than Infinity Q), Infinity Q and any of its associated persons shall not direct any transactions, access assets of the Fund or make or alter any valuations of the Fund's portfolio.

4. Pending distribution, the Fund (with the prior written approval of the Board or a designee of the Board other than Infinity Q) will invest proceeds of cash dispositions of portfolio holdings solely in U.S. government securities, cash equivalents, securities eligible for purchase by a registered money market fund with legal maturities not in excess of 90 days and, if the Board determines to be necessary to protect the value of a portfolio position in a rights offering or other dilutive transaction, additional securities of the affected issuer. The Fund (with the prior written approval of the Board or a designee of the Board other than Infinity Q) may also invest cash in positions that offset existing portfolio positions or enter into other hedging transactions in connection with the orderly liquidation.

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<sup>1</sup> In developing the Plan of Distribution, the Board will assess the impact of errors in the calculation of the Fund's net asset value with respect to current and former shareholders and consider the importance of maintaining regulated investment company status under subchapter M of the Internal Revenue Code of 1986, as amended. For good cause shown, the Commission staff may extend any of the dates set forth in the Order. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered the last day.

5. The Fund will make liquidating cash distributions solely in accordance with the Plan of Distribution.

6. The Fund and Infinity Q will make and keep true, accurate and current all appropriate records, including but not limited to those surrounding the events leading to the requested relief, the Asset Liquidation Plan, the Plan of Distribution (and distributions made pursuant thereto), the valuation and sale of Fund portfolio holdings, and communications with shareholders (including any complaints from shareholders and responses thereto).

7. The Fund and Infinity Q will promptly make available to Commission staff all files, books, records and personnel, as requested, relating to the Fund.

8. The Fund and Infinity Q will provide periodic reporting, no less frequently than weekly, to Commission staff regarding all activities carried out pursuant to the Asset Liquidation Plan and the Plan of Distribution.

9. Infinity Q, its affiliates, and its and their associated persons, will not receive any fee for managing the Fund.

10. The Fund will be in liquidation and will not be engaged and does not propose to engage in any business activities other than those necessary for the protection of its assets, the protection of current and former shareholders and the winding-down of its affairs.

11. The Fund and Infinity Q will appropriately convey accurate and timely information to current and former shareholders of the Fund with regard to the status of the Fund and its liquidation (including posting such information on the Fund's website), including, without limitation, information concerning the dates and amounts of distributions, press releases and periodic reports, and will maintain a toll-free number to respond to shareholder inquiries.

12. The Fund shall consult with Commission staff prior to making any material amendments to the Asset Liquidation Plan and the Plan of Distribution.

13. The Fund will comply with the requirements of Section 30 of the Act and the rules thereunder and will file a report containing a liquidation audit, i.e., audited financial statements dated as of or near the final distribution date, promptly following the Fund's final liquidating distribution.

14. The Fund and Infinity Q will comply with all provisions of the Federal securities laws.

15. The relief granted pursuant to this application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of, or legal proceedings involving or against the Applicants.

Commission Finding:

Based on the representations and conditions in the application, the Commission permits the temporary suspension of the right of redemption for the protection of the Fund's security holders. Under the circumstances described in the application, which require immediate action to protect the Fund's security holders, the Commission concludes that it is not practicable to give notice or an opportunity to request a hearing before issuing the order.

IT IS ORDERED, pursuant to Section 22(e)(3) of the Act, that the requested relief from Section 22(e) of the Act is granted with respect to the Fund until it has liquidated, or until the Commission rescinds the order granted herein. This order shall be in effect as of February 22, 2021, with suspension of redemption requests as requested by the Applicants to be effective as of February 19, 2021.

By the Commission.

J. Matthew DeLesDernier  
Assistant Secretary