STAMFORD
1055 Washington Blvd
Stamford, CT 06901

NEW YORK
805 Third Ave, 21st Fl
New York, NY 10022

BOSTON
255 State St, 5th Fl
Boston, MA 02109

TORONTO
355 King St West, 5th fl
Toronto, ON M5V 1J6

LONDON
Upper Ground Fl South
200 Aldersgate St
London, EC1A 4HD

MELBOURNE
217 Blackburn Rd
Mount Waverley, VIC 3149
Australia

HONG KONG
4607-11, 46th Fl
The Center
99 Queen's Rd
Central, Hong Kong

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

April 1, 2014

Dear Ms. Murphy,

I am writing to express support for approval of the Proposed Rule Change by The NASDAQ Stock Market LLC Relating to Listing and Trading of Exchange-Traded Managed Fund Shares (Release No. 34-71657; File No. SR-NASDAQ-2014-020).

In 1986, I co-founded Strategic Insight (SI), a research and business intelligence firm. Today SI's research and technologies are shared with, among others, investment managers that collectively oversee more than 90% of the total assets managed within U.S. mutual funds and ETFs, as well as with many investment managers globally. Strategic Insight closely monitors mutual fund and ETF developments and innovations. We have studied the growth of ETFs for nearly 15 years (our first major study on ETFs, "*Exchange-Traded Funds: Promises and Limitations"* was published in May 2000.) In our Simfund databases, we track nearly 1600 U.S. registered ETPs which hold over $1.7 trillion in assets under management (AUM). (Our databases observe monthly asset and flow trends for individual ETFs within each of nearly 900 Broker-Dealers.) We also track nearly $600 billion in AUM held in ETPs sold outside the U.S.

For the past two years, we have been evaluating the proposed new open-end fund structure, the Exchange-Traded Managed Fund or ("ETMF"). I believe this new structure could provide investors in actively-managed funds an alternative with lower expenses, higher total returns, and better tax efficiency. Many investors and advisors remain dependent on and committed to actively managed mutual funds (which hold nearly $11.5 trillion in AUM). Following their approval, and when "ETMFs" are introduced (either as stand-alone funds or as feeder funds operating alongside existing mutual funds that invest in the same master fund) and adopted by investors and advisors, the added returns to investors would be very significant.

The promise of "ETMFs" can be realized significantly if a 'common Chassis' is adopted by multiple fund managers, who would then simultaneously educate the marketplace about the benefit of such innovation. I believe the adoption curve of "ETMFs" might parallel the acceleration in the use of mutual funds triggered by the introduction in the early 1990s of the Schwab's Mutual Fund OneSource® supermarket, when numerous fund managers articulated the benefit of a common administrative platform. Overall, "ETMFs" have the potential to significantly improve returns to investors in actively-managed funds, and to encourage additional investment and savings by millions of American over the coming decades.

Avi Nachmany
Co-Founder, Director of Research, E.V.P.
Strategic Insight, an Asset International Company