

SECURITIES AND EXCHANGE COMMISSION
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September 21, 2022

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change to List and Trade the Shares of the Breakwave Tanker Shipping ETF

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on September 13, 2022, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade the shares of the following under NYSE Arca Rule 8.200-E, Commentary .02 (“Trust Issued Receipts”): Breakwave Tanker Shipping ETF. The proposed change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade shares (“Shares”) of the following under NYSE Arca Rule 8.200-E, Commentary .02, which governs the listing and trading of Trust Issued Receipts: Breakwave Tanker Shipping ETF (the “Fund”).⁴

The Fund will be a series of ETF Managers Group Commodity Trust I (the “Trust”).⁵ The Fund and the Trust will be managed and controlled by their sponsor and investment manager, ETF Managers Capital LLC (the “Sponsor”). The Sponsor is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”) and is a member of the National Futures Association (“NFA”). Breakwave Advisors LLC (“Breakwave”) is registered as a commodity trading advisor with the CFTC and will serve as the Fund’s commodity trading advisor. ETFMG Financial LLC will be the Fund’s distributor (“Distributor” or “Marketing Agent”). US Bancorp Fund Services LLC will be the Fund’s “Administrator” and “Transfer Agent”.

⁴ Commentary .02 to NYSE Arca Rule 8.200-E applies to Trust Issued Receipts that invest in “Financial Instruments.” The term “Financial Instruments,” as defined in Commentary .02(b)(4) to NYSE Arca Rule 8.200-E, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars, and floors; and swap agreements.

⁵ On July 1, 2022, the Trust submitted to the Commission on a confidential basis its draft registration statement on Form S-1 (the “Registration Statement”) under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”). The initial confidential submission and all amendments thereto shall be publicly filed not later than 15 days before (i) the date on which the Trust commences a road show for the Fund, or (ii) the requested effective date of the Registration Statement, whichever occurs first. The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement.

The Fund's Investment Objective and Strategy

According to the Registration Statement, the Fund's investment objective will be to provide investors with exposure to the daily change in the price of tanker freight futures, before expenses and liabilities of the Fund, by tracking the performance of a portfolio (the "Benchmark Portfolio") consisting of the nearest calendar quarter of futures contracts on specified indexes (each a "Reference Index") that measure prices for shipping crude oil ("Freight Futures"). Each Reference Index is published each U.K. business day by the London-based Baltic Exchange Ltd⁶ and measures the charter rate for shipping crude oil in a specific size category of cargo ship and for a specific route. The two Reference Indexes are as follows: the TD3C Index: Persian Gulf to China 270,000mt cargo (Very Large Crude Carrier or VLCC tankers) and the TD20 Index: West Africa to Europe, 130,000mt cargo (Suezmax tankers).⁷ The value of each of the TD3C Index

⁶ The Baltic Exchange, which is a wholly owned subsidiary of the Singapore Exchange Ltd ("SGX"), is a membership organization and an independent source of maritime market information for the trading and settlement of physical and derivative shipping contracts. According to the Baltic Exchange, this information is used by shipbrokers, owners and operators, traders, financiers and charterers as a reliable and independent view of the dry and tanker markets.

⁷ The Reference Indexes are published by the Baltic Exchange's subsidiary company, Baltic Exchange Information Services Ltd ("Baltic"), which publishes a wide range of market reports, fixture lists and market rate indicators on a daily and (in some cases) weekly basis. [The Baltic indices](#), which include the Reference Indexes, are an assessment of the price of moving the major raw materials by sea. The indices are based on assessments of the cost of transporting various bulk cargoes, both wet (e.g., crude oil and oil products) and dry (e.g., coal and iron ore), made by leading shipbroking houses located around the world on a per ton and daily hire basis. The information is collated and published by the Baltic Exchange. Procedures relating to administration of the Baltic indices are set forth in "The Baltic Exchange, Guide to Market Benchmarks" November 2016 (the "Guide"), including production methods, calculation, confidentiality and transparency, duties of panelists, code of conduct, audits and quality control. The Guide is available at www.balticexchange.com. According to the Guide, these procedures are in compliance with the "Principles for Financial Benchmarks" issued by the International Organization of Securities Commissioners (or "IOSCO") (the "IOSCO Principles"). The IOSCO Principles are designed to enhance the integrity, the reliability and the oversight of benchmarks by establishing guidelines for benchmark administrators and other

and TD20 Index is disseminated daily at 4:00 p.m., London Time by the Baltic Exchange. Such Reference Index information also is widely disseminated by Reuters, Bloomberg and/or other major market data vendors.

The Fund will seek to achieve its objective by purchasing Freight Futures that are cleared through major exchanges (see description of Freight Futures below).

The principal markets for Freight Futures are ICE Futures Europe (the “ICE”) and the Chicago Mercantile Exchange (“CME”). The applicable exchange acts as a counterparty for each member for clearing purposes. The Fund’s investments in Freight Futures will be cleared by ICE and/or CME.⁸ The ICE and CME are regulated in the U.S. by the CFTC. Freight futures clearing has been occurring since 2005.

The Fund’s portfolio will be traded with a view to reflecting the performance of the Benchmark Portfolio (described below), whether the Benchmark Portfolio is rising, falling or flat over any particular period. To maintain the correlation between the Fund and the change in the Benchmark Portfolio, the Sponsor may adjust the Fund’s portfolio of investments on a daily

relevant bodies in the following areas: Governance: to protect the integrity of the benchmark determination process and to address conflicts of interest; Benchmark quality: to promote the quality and integrity of benchmark determinations through the application of design factors; Quality of the methodology: to promote the quality and integrity of methodologies by setting out minimum information that should be addressed within a methodology. These principles also call for credible transition policies in case a benchmark may cease to exist due to market structure change. Accountability mechanisms: to establish complaints processes, documentation requirements and audit reviews. The IOSCO Principles provide a framework of standards that might be met in different ways, depending on the specificities of each benchmark. In addition to a set of high level principles, the framework offers a subset of more detailed principles for benchmarks having specific risks arising from their reliance on submissions and/or their ownership structure. For further information concerning the IOSCO Principles, [see <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf>](http://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf).

⁸ CME and ICE are members of the Intermarket Surveillance Group (“ISG”). See note 15 infra.

basis in response to creation and redemption orders or otherwise as required. The Sponsor anticipates that the Fund's Freight Futures positions will be held to expiration and settle in cash against the respective Reference Index as published by the Baltic Exchange and ICE or CME. However, positions may be closed out to meet orders for redemption of Baskets (described below), in which case the proceeds from the closed positions will not be reinvested.

At any given time, the average maturity of the futures held by the Fund will be approximately 50 to 70 days. During the month of December of each year, the Fund will rebalance its portfolio in order to bring the allocation of assets back to the desirable levels. During this period, the Fund would purchase or sell Freight Futures to achieve its targeted allocation.

When establishing positions in Freight Futures, the Fund will be required to deposit initial margin with a value of approximately 10% to 40% of the notional value of each Freight Futures position at the time it is established. These margin requirements are established and subject to change from time to time by the relevant exchanges, clearing houses or the Fund's futures commission merchant ("FCM"). On a daily basis, the Fund will be obligated to pay, or entitled to receive, variation margin in an amount equal to the change in the daily settlement level of its overall Futures positions. Any assets not required to be posted as margin with the FCM will be held at the Fund's custodian in cash or cash equivalents.⁹ The Fund will place purchase orders for Freight Futures with an execution broker. The broker will identify a selling counterparty and, simultaneously with the completion of the transaction, will submit the block

⁹ The Fund will hold cash or cash equivalents, such as U.S. Treasuries or other high credit quality, short-term fixed-income or similar securities for direct investment or as collateral for the U.S. Treasuries and for other liquidity purposes, and to meet redemptions that may be necessary on an ongoing basis.

traded Freight Futures to the relevant exchange or clearing house for clearing, thereby completing and creating a cleared futures transaction. If the exchange or clearing house does not accept the transaction for any reason, the transaction will be considered null and void and of no legal effect.

Not more than 10% of the net assets of the Fund in the aggregate invested in Freight Futures and exchange-traded options on Freight Futures will consist of Freight Futures and exchange-traded options on Freight Futures whose principal market is not a member of the ISG or is a market with which the Exchange does not have in place a comprehensive surveillance sharing agreement.

Benchmark Portfolio Construction

Freight Futures reflect market expectations for the future cost of transporting crude oil. The Benchmark Portfolio will hold long positions in Freight Futures corresponding to the TD3C Index and TD20 Index. The Benchmark Portfolio's initial allocation will be approximately 90% TD3C contracts and 10% TD20 contracts, based on contract value, not number of lots. Given each asset's individual price movements during the year, such percentages might deviate from the targeted allocation.

The Benchmark Portfolio will consist of positions in the three-month strip of the nearest calendar quarter of Freight Futures and roll them constantly to the next calendar quarter. The four-calendar quarters are January, February, and March (Q1), April, May, and June (Q2), July, August, and September (Q3), and October, November and December (Q4). The Benchmark Portfolio will hold all positions to maturity and settle them in cash. During any given calendar quarter, the Benchmark Portfolio will progressively increase its position to the next calendar quarter three-month strip, thus maintaining constant long exposure to the Freight Futures market

as positions mature. The Fund maintains the right to invest in other maturities of Freight Futures if such strategy is deemed necessary.

To track the Benchmark Portfolio, the Fund will attempt to roll positions in the nearby calendar quarter, on a pro rata basis. For example, if the Fund was currently holding the Q1 calendar quarter comprising the January, February and March monthly contracts, each week in the month of February, the Fund will attempt to purchase Q2 contracts in an amount equal to approximately one quarter of the expiring February positions. As a result, by the end of February, the Fund would have rolled the February position to Q2 freight contracts, leaving the Fund with March and Q2 contracts. At the end of March, the Fund will have completed the roll and will then hold only Q2 exposure comprising April, May and June monthly contracts. Since Freight Futures contracts are cash settled, the Fund need not close out of existing contracts. Rather, it will hold such contracts to expiration and apply the above methodology in order to acquire the nearby calendar contract.

The Benchmark Portfolio will not include, and the Fund will not invest in swaps, non-cleared freight forwards or other over-the-counter derivative instruments that are not cleared through exchanges or clearing houses. The Fund may hold exchange-traded options on Freight Futures.

The Benchmark Portfolio is maintained by Breakwave and will be rebalanced annually.

Overview of the Tanker Freight Industry

As stated in the Registration Statement, the following is a brief introduction of the global tanker industry. The data presented below is derived from information released from various third-party sources. The third-party sources from which certain of the information presented

below include the United Nations Conference on Trade and Development, the Baltic and International Maritime Council, Clarksons Research, Bloomberg and others.

Seaborne crude transportation is a 130 plus year-old industry focusing on the transportation of unrefined crude oil in ships known as crude tankers. Modern crude tankers are ships that can carry as many as 2 million barrels of crude within the cargo tanks of the ship. Crude tankers carry unprocessed oil from the point of extraction, or storage, to refineries. These purpose-built ships do not generally carry any other type of oil cargo and are often referred to as ‘dirty’ cargo tankers. Crude tankers are among the largest types of ships in the world given the economies of scale required in making seaborne transportation a viable option for buyers and sellers of the commodity they carry. The framework of transporting crude oil is determined by three main characteristics: density of the crude (which can vary depending on where it was extracted), parcel size of the cargo being transported, and the degree of cleanliness required during handling. Crude tankers require dedicated port infrastructure for the loading and discharge of their cargo, and due to their size are limited in the number of ports they can call. These tankers are measured in their cargo carrying capacity in tons – referred to as deadweight tonnage (“DWT”) and have a typical lifespan of 25 years.

Crude oil tankers come in various sizes:

Very Large Crude Carriers or VLCC (~300,000 DWT) are the largest of the tanker asset classes. VLCCs transport crude oil mainly from the Middle East to Asia, from West Africa to Asia and from the US to Asia. There are about 850 VLCCs worldwide. The VLCC fleet is about 60% of the tanker fleet by DWT capacity.

Suezmax (~150,000 DWT) primarily transport crude oil from West Africa to Europe, from North Africa to Europe. The Suezmax is the largest tanker vessel class that can transit the Suez Canal. There are about 600 Suezmaxes worldwide representing ~22% of the global tanker fleet by DWT capacity.

Aframax (~80,000 DWT) primarily transport crude oil from Latin America to the US, from Australia to Southeast Asia, from Middle East to Asia and other. There are approximately 670 ships accounting from ~17% of the global tanker fleet by DWT capacity.

Smaller tankers (smaller than ~80,000 DWT) are a class of ships that and dirty oil products such as diesel, gasoline, jet fuel, fuel oil and kerosene derived from crude oil that has been processed at a refinery. There are approximately 80 ships accounting from ~1% of the global tanker fleet by DWT capacity.

Tanker Vessel Supply

According to the Registration Statement, there are approximately 2,140 crude tankers worldwide with a carrying capacity of roughly 432 million DWT and an average age of approximately 11.2 years. Supply of crude oil tankers is dynamic.

Factors impacting crude tanker supply include new orders, the scrapping of older vessels, new shipbuilding technologies, vessel congestion in ports, closures of major waterways, including canals, and wars and other geopolitical conflicts that can restrict access to vessels available for shipping crude oil.

Demand for Seaborne Oil Transportation

According to the Registration Statement, customers of seaborne crude transportation include major independent and state-owned oil companies, oil traders, refinery operators and

international government entities. Vessel demand for the transportation of crude oil fluctuates seasonally based on world oil consumption. Peaks in annual demand are caused by anticipation of seasonal consumption of crude oil products by oil refiners and suppliers. Consumption varies with seasons and trends, such as winter in the Northern Hemisphere and peak travel seasons.

Demand for tanker freight is generally measured in ton-miles, which corresponds to one ton of freight carried one mile. Such measure takes into consideration both the quantity of cargo transport but also the distance between loading and offloading ports. Over the last 5 years, crude tanker demand has decreased by approximately -1% per year. Global oil demand peaked in 2019 and since then has steadily declined mainly as a result of the COVID 19 pandemic. However, International Energy Agency (IEA) projects oil demand to increase to 101.6 million barrels per day, back to pre-pandemic levels, by 2023.

In 2010, demand for oil began increasing as the global economy, especially in countries impacted most by the Great Recession, returned to a period of growth. During the period of 2010-2017 crude tanker demand grew on average 2.3% per year. In 2017, crude tanker demand growth grew 5.3% while in 2018 demand growth increased by 2.7%. In 2019 crude tanker demand began contracting by -1.8%, followed by -6.5% in 2020 and -4.3% in 2021. In 2022, the Russian invasion in Ukraine had a significant impact on oil prices, and thus oil demand, as western sanctions against Russia have limited the supply of crude oil and refined products, leading to a considerable increase in oil prices.

Factors impacting demand for shipping tanker freight include global economic growth, demand for oil, government regulations, taxes and tariffs, fuel prices, vessel speeds and new trade routes.

Tanker Freight Charter Rates

According to the Registration Statement, crude oil freight rates reflect the price paid for each ton of oil cargo the ship will transport. The “dollars per ton rates” include the cost of the fuel, otherwise referred to as bunkers, that will be burned during the voyage of a pre-determined route. As a result, crude oil freight rates are not only exposed to the availability of ships and the underlying demand for ships, but also to the cost of bunkers.

Net Freight Component

The availability of ships of the correct size and technical specifications that are also in the correct geographic location to carry the cargoes that need to be transported is the largest driving force of crude oil freight rates. This is greatly impacted by the total number of ships in the global fleet. The global demand for oil – specifically the demand for oil in regions not serviced by pipelines from the point of production is the other major factor in determining freight rates. The above macro factors are in constant flux and shape the price for freight.

Bunker component

Given the large quantities of bunker fuel that ships consume, crude oil tanker rates are greatly impacted by changes in the cost of bunkers, and as a result, the price of oil. In addition, refining margins play an equally important role in determining the price of bunker fuel. Combined, oil price and refining margins account for a significant part of the overall tanker freight cost.

Freight rates across shipping are generally quoted on time charter equivalent basis which is calculated by taking voyage revenues, subtracting voyage expense, including canal, bunker and port costs, and then dividing the total by the round-trip voyage duration in days. Such a

calculation gives shipping companies a tool to measure period-to-period changes. Although the above calculation is helpful for shipping companies to calculate their net profit and decide whether a reference spot rate acceptable, the spot tanker market transacts on a USD per ton basis. Such a “gross” price includes all voyage expenses (fuel, canal and port costs, etc.). Given the freight futures market is predominantly used for hedging purposes by oil market participants, tanker freight futures are also quoted on a USD per ton basis.

Freight Futures

According to the Registration Statement, freight futures are financial futures contracts that allow ship owners, charterers and speculators to hedge against the volatility of freight rates. Freight Futures are built on indices such as the TD3C Index, TD20 Index, TD25 Index and TD22 Index. In addition to the crude oil tanker routes, there are also Freight Futures for routes corresponding to the transportation of refined oil products (gasoline, diesel, etc.). Freight Futures are financial instruments that trade off-exchange but then are cleared through an exchange. Market participants communicate their buy or sell orders through a network of execution brokers mainly through phone or instant messaging platforms with specific trading instructions related to price, size, and type of order.¹⁰ The execution broker receives such order and then attempts to match it with a counterpart. Once there is a match and both parties confirm the transaction, the execution broker submits the transaction details including trade specifics, counterparty details and accounts to the relevant exchange for clearing, thus completing a cleared block futures

¹⁰ Freight Futures are primarily traded through broker members of the Forward Freight Agreement Brokers Association (“FFABA”), such as Clarkson’s Securities, Freight Investor Services, GFI Group and ICAP. Members of the FFABA must be members of the Baltic Exchange and must be regulated by the Financial Conduct Authority if resident in the U.K., or if not resident in the U.K., by an equivalent body if required by the authorities in the jurisdiction. Source: The Baltic Code of the Baltic Exchange.

transaction. Brokers are required to report to the relevant exchanges each trade that takes place. The exchange will then require the relevant member or FCM to submit the necessary margin to support the position similar to other futures clearing and margin requirements.

Freight Futures are listed and cleared on the following exchanges: CME and ICE.

Freight Futures settle monthly over the arithmetic average of spot index assessments in the contract month for the relevant underlying product, rounded to three decimal places. The daily index publication, against which Freight Futures settle, is published by the Baltic Exchange.

Although historically the Worldscale methodology has been used as means of transacting, lately, a USD per ton quoted methodology has been increasingly used. Both methods of quoting freight are identical: Worldscale represents a percentage of a predetermined fixed rate referred to as “flat rate”, effectively translating the quoted freight from USD per ton to a percentage of the flat rate. As an example, a rate quoted at Worldscale 40 (WS 40) of a flat rate of \$18 per ton would represent 40% of the \$18/ton flat rate, or \$7.20 per ton. Whether the rate is quote on Worldscale or on USD per ton, the resulting freight rate would be the same (\$7.20 per ton).

Freight brokers have recently been reporting freight futures in both Worldscale and USD per ton basis.

Generally, Freight Futures trade from approximately 3:00 a.m. Eastern Time (“E.T.”) to approximately 1:00 p.m. E.T. The great majority of trading volume occurs during London business hours, from approximately 4:00 a.m. E.T. time to approximately 12:00 p.m. E.T. Some limited trading takes place during Asian business hours as well (12:00 a.m.-3:00 a.m. E.T.). The final closing prices for settlement are published daily around 12:30 p.m. E.T. Final cash settlement occurs the first business day following the expiry day.

Freight Futures are quoted in U.S. Dollars per metric ton, with a minimum lot size of 1,000 metric tons. One lot represents freight costs to transport in U.S. Dollars. The nominal value of a contract is simply the product of lots and Freight Futures prices. There are Futures Contracts of up to 72 consecutive months, starting with the current month, available for trading for each vessel class.

Similar to other futures, Freight Futures are subject to margin requirements by the relevant exchanges. The Sponsor anticipates that approximately 20% to 50% of the Fund's assets will be used as payment for or collateral for Freight Futures contracts. In order to collateralize its Freight Futures positions, the Fund will hold such assets, from which it will post margin to its FCM in an amount equal to the margin required by the relevant exchanges, and transfer to its FCM any additional amounts that may be separately required by the FCM.

The liquidity of tanker Freight Futures (clean and dirty) has been increasing, in lot terms, over the last five years. For example, in 2021, approximately 560 thousand lots in Freight Futures traded. And, as of 2022, open interest in Freight Futures stood at approximately 145,000 lots across all asset classes representing an estimated value of more than \$2 billion. Of such open interest, TD3C contracts account for approximately 50. Major market participants in the tanker Freight Futures market include commodity producers, commodity users, commodity trading houses, ship operators, major banks, investment funds and independent ship owners.

Calculating Net Asset Value ("NAV")

The Fund's NAV will be calculated by taking the current market value of its total assets, subtracting any liabilities; and dividing that total by the total number of outstanding Shares.

The Administrator will calculate the NAV of the Fund once each NYSE Arca trading day. The NAV for a particular trading day will be released after 4:00 p.m. E.T. The

Administrator will use the Baltic Exchange closing prices for the Freight Futures and any option contracts to calculate the NAV. The Administrator will calculate or determine the value of all other Fund investments using market quotations, if available, or other information customarily used to determine the fair value of such investments as of the close of the NYSE Arca Core Trading Session (normally 4:00 p.m. E.T.). The information may include costs of funding, to the extent costs of funding are not and would not be a component of the other information being utilized. Third parties supplying quotations or market data may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other sources of market information.

Indicative Fund Value

In order to provide updated information relating to the Fund for use by investors and market professionals, an updated indicative fund value (“IFV”) will be made available through on-line information services throughout the Exchange Core Trading Session (normally 9:30 a.m. to 4:00 p.m., E.T.) on each trading day. The IFV will be calculated by using the prior day’s closing NAV per Share of the Fund as a base and updating that value throughout the trading day to reflect changes in the most recently reported trade price for the futures and/or options held by the Fund. The IFV disseminated during NYSE Arca Core Trading Session hours should not be viewed as an actual real time update of the NAV, because the NAV will be calculated only once at the end of each trading day based upon the relevant end of day values of the Fund’s investments.

The IFV will be disseminated on a per Share basis every 15 seconds during regular NYSE Arca Core Trading Session hours of 9:30 a.m. E.T. to 4:00 p.m. E.T. The customary trading hours of the Freight Futures trading are 3:00 a.m. E.T. to 1:00 p.m. E.T. This means that

there is a gap in time at the end of each day during which the Fund's Shares will be traded on the NYSE Arca, but real-time trading prices for contracts are not available. During such gaps in time the IFV will be calculated based on the end of day price of such contracts from the Baltic Exchange's, CME's and ICE's immediately preceding settlement prices. In addition, other investments and U.S. Treasuries held by the Fund will be valued by the Administrator using rates and points received from client-approved third-party vendors (such as Reuters and WM Company) and broker-dealer quotes. These investments will not be included in the IFV.

Dissemination of the IFV provides additional information that is not otherwise available to the public and is useful to investors and market professionals in connection with the trading of the Fund's Shares on the NYSE Arca. Investors and market professionals are able throughout the trading day to compare the market price of Fund Shares and the IFV. If the market price of the Fund Shares diverges significantly from the IFV, market professionals will have an incentive to execute arbitrage trades. For example, if the Fund's Shares appears to be trading at a discount compared to the IFV, a market professional could buy the Fund's Shares on the NYSE Arca and take the opposite position in Freight Futures. Such arbitrage trades can tighten the tracking between the market price of the Fund's Shares and the IFV and thus can be beneficial to all market participants.

Creation and Redemption of Shares

According to the Registration Statement, the Fund will create and redeem Shares from time to time in one or more "Creation Baskets" or "Redemption Baskets" (collectively, the "Baskets"). A Basket consists of 25,000 Shares, which amount may be revised from time-to-time. The creation and redemption of Baskets will only be made in exchange for delivery to the Fund or the distribution by the Fund of the amount of Treasuries and any cash represented by the

Baskets being created or redeemed, the amount of which is based on the combined NAV of the number of Shares included in the Baskets being created or redeemed determined as of 4:00 p.m. E.T. on the day the order to create or redeem Baskets is properly received.

“Authorized Participants” are the only persons that may place orders to create and redeem Baskets. Authorized Participants must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, that are not required to register as broker-dealers to engage in securities transactions described below, and (2) Depository Trust Company (“DTC”) participants.

Creation Procedures

On any business day, an Authorized Participant may place an order with the Transfer Agent to create one or more Baskets. For purposes of processing purchase and redemption orders, a “business day” means any day other than a day when any of the NYSE Arca, the Baltic Exchange, the ICE, the CME or the New York Stock Exchange is closed for regular trading. Purchase orders must be placed by 12:00 p.m. E.T. or the close of the Core Trading Session on NYSE Arca, whichever is earlier. The day on which a valid purchase order is received in accordance with the terms of the “Authorized Participant Agreement” is referred to as the purchase order date. Purchase orders are irrevocable.

Determination of Required Payment

The total payment required to create each Creation Basket is the NAV of 25,000 Shares on the purchase order date, but only if the required payment is timely received. To calculate the NAV, the Administrator will use the Baltic Exchange settlement price (typically determined after 12:00 p.m. E.T.) for the Freight Futures. Because orders to purchase Baskets must be placed no later than 12:00 p.m., E.T., but the total payment required to create a Basket typically will not be

determined until after 12:00 p.m., E.T., on the date the purchase order is received, Authorized Participants will not know the total amount of the payment required to create a Basket at the time they submit an irrevocable purchase order.

Delivery of Required Payment

An Authorized Participant who places a purchase order shall transfer to the Administrator the required amount of cash by the end of the next business day following the purchase order date. Upon receipt of the deposit amount, the Administrator will direct DTC to credit the number of Baskets ordered to the Authorized Participant's DTC account on the next business day following the purchase order date.

Redemption Procedures

According to the Registration Statement, the procedures by which an Authorized Participant can redeem one or more Baskets will mirror the procedures for the creation of Baskets. On any business day, an Authorized Participant may place an order with the Transfer Agent, and accepted by the Distributor, to redeem one or more Baskets. Redemption orders must be placed by 12:00 p.m. E.T. or the close of the Core Trading Session on the NYSE Arca, whichever is earlier.¹¹ A redemption order so received will be effective on the date it is received in satisfactory form in accordance with the terms of the Authorized Participant Agreement. The day on which the Marketing Agent receives a valid redemption order is the redemption order

¹¹ The Sponsor represents that it believes that the designated time by which orders to create or redeem must be received by the Transfer Agent (12:00 p.m. E.T.) will not have a material impact on an Authorized Participant's arbitrage opportunities with respect to the Fund. As noted above, Freight Futures are cleared by CME and ICE until 1:00 p.m. E.T. and such clearing activity on CME and ICE will serve as an arbitrage mechanism for trading in the Fund's Shares. In addition, price information regarding trading of Freight Futures and options on Freight Futures on the applicable exchange and end-of-day settlement prices published by the applicable exchange will be available during the Core Trading Session.

date. Redemption orders are irrevocable. By placing a redemption order, an Authorized Participant agrees to deliver the baskets to be redeemed through DTC's book-entry system to the Fund not later than 12:00 p.m., E.T., on the next business day immediately following the redemption order date.

Determination of Redemption Proceeds

The redemption proceeds from the Fund will consist of a cash redemption amount equal to the NAV of the number of Baskets requested in the Authorized Participant's redemption order on the redemption order date.

Because orders to redeem Baskets must be placed no later than 12:00 p.m., E.T., but the total amount of redemption proceeds typically will not be determined until after 12:00 p.m., E.T., on the date the redemption order is received, Authorized Participants will not know the total amount of the redemption proceeds at the time they submit an irrevocable redemption order.

The redemption proceeds due from the Fund will be delivered to the Authorized Participant at 1:00 p.m., E.T., on the second business day immediately following the redemption order date if, by such time, the Fund's DTC account has been credited with the Baskets to be redeemed.

Availability of Information

The NAV for the Fund's Shares will be disseminated daily to all market participants at the same time. The intraday, closing prices, and settlement prices of the Freight Futures will be readily available from the applicable futures exchange websites, automated quotation systems, published or other public sources, or major market data vendors.

Complete real-time data for Freight Futures is available by subscription through on-line information services. Quotation and last-sale information regarding the Shares will be

disseminated through the facilities of the Consolidated Tape Association (“CTA”). The IFV will be available through on-line information services. The Freight Futures and exchange-traded options on Freight Futures trading prices will be disseminated by one or more major market data vendors during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. CME and ICE provide on a daily basis, transaction volumes, transaction prices, and open interest on their respective websites. In addition, historical data also exists for volumes and open interest. Daily settlement prices and historical settlement prices are available through a subscription service to the Baltic Exchange, ICE and CME, which maintain the licensing rights of relevant freight data. However, the exchanges provide the daily settlement price change of Freight Futures on their respective websites. Certain Freight Futures brokers provide real time pricing information to the general public either through their websites or through data vendors such as Bloomberg or Reuters. Most Freight Futures brokers provide, upon request, individual electronic screens that market participants can use to transact, place orders or only monitor Freight Futures market price levels.

In addition, the Fund’s website, www.tankeretf.com, will display the applicable end of day closing NAV. The daily holdings of the Fund will be available on the Fund’s website before 9:30 a.m. E.T. each day. The website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the quantity and type of each holding (including the ticker symbol, maturity date or other identifier, if any) and other descriptive information including, in the case of an option, its strike price, (iii) the percentage weighting of each holding in the Fund’s portfolio; (iv) the number of Freight Futures contracts and the value of each Freight Futures (in U.S. dollars), (v) the type (including maturity, ticker symbol, or other identifier) and value of each Treasury security and cash equivalent, and (vi) the

amount of cash held in the Fund's portfolio. The Fund's website will be publicly accessible at no charge.

The daily closing Benchmark Portfolio level and the percentage change in the daily closing level for the Benchmark Portfolio will be publicly available from one or more major market data vendors. The intraday value of the Benchmark Portfolio, updated every 15 seconds, will also be available through major market data vendors during those times that the hours trading in Freight Futures overlap with trading hours on NYSE Arca (i.e., between 9:00 a.m. and 1:00p.m. ET).

The website disclosure of the Fund's daily holdings will occur at the same time as the disclosure by the Trust of the daily holdings to Authorized Participants so that all market participants are provided daily holdings information at the same time. Therefore, the same holdings information will be provided on the public website as well as in electronic files provided to Authorized Participants. Accordingly, each investor will have access to the current daily holdings of the Fund through the Fund's website.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Fund.¹² Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares of the Fund inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IFV or the intraday value of the Benchmark Portfolio occurs. If the

¹² See NYSE Arca Rule 7.12-E.

interruption to the dissemination of the IFV, or the value of the Benchmark Portfolio persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m. E.T. in accordance with NYSE Arca Rule 7.34-E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6-E, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Rule 8.200-E. The trading of the Shares will be subject to NYSE Arca Rule 8.200-E, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in Trust Issued Receipts to facilitate surveillance. The Exchange represents that, for initial and continued listing, the Funds will be in compliance with Rule 10A-3¹³ under the Act, as provided by NYSE Arca Rule 5.3-E. A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange.

¹³ 17 CFR 240.10A-3.

Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.¹⁴ The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares of the Funds in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

To the extent that the Shares, Freight Futures, and those exchange-traded options trade on markets that are members of the ISG, the Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, Freight Futures, and exchange-traded options on Freight Futures with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares, Freight Futures and exchange-traded options on Freight Futures from such markets and other entities. In addition, to the extent those instruments trade on markets that are ISG members or with which the Exchange has such agreements, the Exchange may obtain information regarding trading in the Shares, Freight

¹⁴ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.

Futures, and exchange-traded options on Freight Futures from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement (“CSSA”).¹⁵

Not more than 10% of the net assets of the Fund in the aggregate invested in Freight Futures and exchange-traded options on Freight Futures shall consist of Freight Futures and exchange-traded options on Freight Futures whose principal market is not a member of the ISG or is a market with which the Exchange does not have a CSSA.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the Reference Indexes and portfolios, (b) limitations on portfolio holdings or reference assets, or (c) applicability of Exchange listing rules specified in this filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The Sponsor has represented to the Exchange that it will advise the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5-E(m).

¹⁵ For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of the Funds may trade on markets that are members of ISG or with which the Exchange has in place a CSSA.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)¹⁶ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.200-E. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares of the Fund in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. To the extent that the Shares, Freight Futures, and those options trade on markets that are members of the ISG, the Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, Freight Futures, and exchange-traded options on Freight Futures with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares, Freight Futures, and exchange-traded options on Freight Futures from such markets and other entities. In addition, to the extent those instruments trade on markets that are members of ISG or with which the Exchange has such agreements, the Exchange may obtain information regarding trading in the Shares, Freight Futures, and exchange-traded options on Freight Futures from markets and other entities that are members of ISG or with which the Exchange has in place a CSSA. Not more than 10% of the net

¹⁶ 15 U.S.C. 78f(b)(5).

assets of the Fund in the aggregate invested in Freight Futures and exchange-traded options on Freight Futures shall consist of Freight Futures and exchange-traded options on Freight Futures whose principal market is not a member of the ISG or is a market with which the Exchange does not have a CSSA. The Exchange will make available on its website daily trading volume of each of the Shares, closing prices of such Shares, and number of Shares outstanding. The intraday, closing prices, and settlement prices of Freight Futures will be readily available from the Baltic Exchange website, automated quotation systems, published or other public sources, or on-line information services.

Complete real-time data for the Freight Futures is available by subscription from on-line information services. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IFV will be available through on-line information services. The Freight Futures trading prices will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. CME and ICE provide on a daily basis, transaction volumes, transaction prices, trade time, and open interest on their respective websites. In addition, the Fund's website, will display the applicable end of day closing NAV. The daily holdings of the Fund will be disclosed on the Fund's website before 9:30 a.m. E.T. each day. The daily holdings of the Fund will be available on the Fund's website before 9:30 a.m. E.T. each day. The Fund's website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the quantity and type of each holding (including the ticker symbol, maturity date or other identifier, if any) and other descriptive information including, in the case of an option, its strike price, (iii) the value of each Freight Futures (in U.S.

dollars), (iv) the type (including maturity, ticker symbol, or other identifier) and value of each Treasury security and cash equivalent, and (v) the amount of cash held in the Fund's portfolio.

Moreover, prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of Trust Issued Receipts based on Freight Futures that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of a new type of Trust Issued Receipts based on Freight Futures and that will enhance competition among market participants, to the benefit of investors and the marketplace.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEARCA-2022-61 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-NYSEARCA-2022-61. This file number should be included on the subject line if e-mail 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 website (<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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEARCA-2022-61, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

J. Matthew DeLesDernier
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).