

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70624; File No. SR-NYSEArca-2013-101)

October 8, 2013

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change to List and Trade Shares of the WisdomTree Bloomberg U.S. Dollar Bullish Fund, WisdomTree Bloomberg U.S. Dollar Bearish Fund, and the WisdomTree Commodity Currency Bearish Fund under NYSE Arca Equities Rule 8.600

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that, on September 26, 2013, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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 funds of the WisdomTree Trust (“Trust”) under NYSE Arca Equities Rule 8.600 (“Managed Fund Shares”): WisdomTree Bloomberg U.S. Dollar Bullish Fund (“DI Bull Fund”); the WisdomTree Bloomberg U.S. Dollar Bearish Fund (“DI Bear Fund,” and with the DI Bull Fund, “DI Funds”); and the WisdomTree Commodity Currency Bearish Fund (“CC Bear Fund,” and collectively with the DI Funds, “Funds”). The shares of the Funds are collectively referred to herein as the “Shares.” The text of the proposed rule 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.

¹ 15 U.S.C.78s(b)(1).

² 17 CFR 240.19b-4.

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 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 the Shares of the Funds under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange.³ The Funds will be actively-managed exchange traded funds ("ETFs").⁴ The Shares

³ A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act") organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company Units, listed and traded on the Exchange under NYSE Arca Equities Rule 5.2(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of specific foreign or domestic stock index, fixed income securities index, or combination thereof.

⁴ The Commission previously approved listing and trading on the Exchange of a number of actively managed funds under NYSE Arca Equities Rule 8.600. See, e.g., Securities Exchange Act Release Nos. 57801 (May 8, 2008), 73 FR 27878 (May 14, 2008) (SR-NYSEArca-2008-31) (order approving Exchange listing and trading of twelve actively-managed funds of the WisdomTree Trust); 58564 (September 17, 2008), 73 FR 55194 (September 24, 2008) (SR-NYSEArca-2008-86) (order approving Exchange listing and trading of WisdomTree Dreyfus Emerging Currency Fund); 62604 (July 30, 2010), 75 FR 47323 (August 5, 2010) (SR-NYSEArca-2010-49) (order approving listing and trading of WisdomTree Emerging Markets Local Debt Fund); 62623 (August 2, 2010), 75 FR 47652 (August 6, 2010) (SR-NYSEArca-2010-51) (order approving listing and trading of WisdomTree Dreyfus Commodity Currency Fund); 63598 (December 22, 2010), 75 FR 82106 (December 29, 2010) (SR-NYSEArca-2010-98) (order approving listing and

will be offered by the Trust, which was established as a Delaware statutory trust on December 15, 2005. The Trust is registered with the Commission as an investment company and has filed a registration statement on Form N-1A (“Registration Statement”) with the Commission on behalf of each of the Funds.⁵

Description of the Shares and the Funds

WisdomTree Asset Management, Inc. (“WisdomTree Asset Management”) will be the investment adviser (“Adviser”) to each of the Funds.⁶ Mellon Capital Management (“Mellon”) will serve as sub-adviser for each of the Funds (“Sub-Adviser”).⁷ The Bank of New York Mellon is the administrator, custodian, and transfer agent for the Trust (“Custodian” or “Transfer Agent”). ALPS Distributors, Inc. serves as the distributor for the Trust (“Principal Underwriter”). Bloomberg Finance L.P. (“Index Sponsor”) is the sponsor of the Bloomberg US

trading of WisdomTree Managed Futures Strategy Fund); and 63919 (February 16, 2011), 76 FR 10073 (February 23, 2011) (SR-NYSEArca-2010-116) (order approving listing and trading of WisdomTree Asia Local Debt Fund).

⁵ See Post-Effective Amendment No. 216 (DI Bull Fund), No. 217 (DI Bear Fund) and No. 218 (CC Bear Fund) to the Registration Statement on Form N-1A for the Trust, each dated September 6, 2013 under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”) and the 1940 Act. (File Nos. 333-132380 and 811-21864). The descriptions of the Funds and the Shares contained herein are based on information in the Registration Statement. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28171 (October 27, 2008) (File No. 812- 13458 (“Exemptive Order”). In compliance with Commentary .05 to NYSE Arca Equities Rule 8.600, which applies to Managed Fund Shares based on an international or global portfolio, the Trust’s application for exemptive relief under the 1940 Act states that the Funds will comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act.

⁶ WisdomTree Investments, Inc. (“WisdomTree Investments”) is the parent company of WisdomTree Asset Management.

⁷ The Sub-Adviser will be responsible for day-to-day management of the Funds and, as such, typically makes all decisions with respect to portfolio holdings. The Adviser will have ongoing oversight responsibility.

Dollar Total Return Index (“Bloomberg USD TR Index”) and the Bloomberg Inverse US Dollar Total Return Index (“Bloomberg Inverse USD TR Index,” each an “Index” and together with the Bloomberg USD TR Index, the “Indexes”). Each Index is described more fully below.⁸

Commentary .06 to Rule 8.600 provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a “fire wall” between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.⁹ In addition, Commentary .06 further requires that personnel who make decisions on the open-end fund’s portfolio composition must be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the open-end fund’s portfolio. Commentary .06 to Rule 8.600 is similar to Commentary .03(a)(i) and (iii) to

⁸ Information regarding the Indexes and other indexes provided by the Index Sponsor can be found at www.bloombergindeces.com. The Index Sponsor is not a broker-dealer but is affiliated with one or more broker-dealers. The Index Sponsor has implemented procedures designed to prevent the illicit use and dissemination of material, non-public information regarding the Indexes and has implemented a “fire wall” with regard to its affiliated broker-dealers regarding the Indexes.

⁹ An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (“Advisers Act”). As a result, the Adviser and the Sub-Adviser and their related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

NYSE Arca Equities Rule 5.2(j)(3); however, Commentary .06 in connection with the establishment of a “fire wall” between the investment adviser and the broker-dealer reflects the applicable open-end fund’s portfolio, not an underlying benchmark index, as is the case with index-based funds. The Adviser is not registered as a broker-dealer or affiliated with a broker-dealer. The Sub-Adviser is not a broker-dealer but is affiliated with one or more broker-dealers and has implemented a “fire wall” with respect to such broker-dealers regarding access to information concerning the composition and/or changes to a Fund’s portfolio. In addition, Mellon personnel who make decisions regarding a Fund’s portfolio will be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding such Fund’s portfolio. In the event (a) the Adviser or Sub-Adviser becomes registered as a broker-dealer or becomes newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the applicable Fund’s portfolio, and will be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding such portfolio.

WisdomTree Bloomberg U.S. Dollar Bullish Fund, WisdomTree Bloomberg U.S. Dollar Bearish Fund, and WisdomTree Commodity Currency Bearish Fund

DI Bull Fund – Index Information

The DI Bull Fund will be an actively managed fund that seeks to provide total returns, before expenses, that exceed the performance of the Bloomberg USD TR Index. The Bloomberg USD TR Index is based on the Bloomberg US Dollar Index (BDXY), which tracks changes in the value of the U.S. Dollar against a basket of developed and emerging market currencies which are deemed to have the highest liquidity in the currency markets and represent countries that

make the largest contribution to trade flows with the United States.¹⁰ The Bloomberg USD TR Index additionally incorporates the impact of short-term interest rate differences inherent in achieving such exposure by incorporating the net interest rate differential between the short-term interest rates in the U.S. and in the countries of those leading currencies and the daily federal funds rate. The Bloomberg USD TR Index is structured to potentially benefit from a general rise in the level of the U.S. Dollar relative to the basket of global currencies.

To be considered for the Bloomberg US Dollar Index (and, accordingly, the Bloomberg USD TR Index and the Bloomberg Inverse USD TR Index), currencies must rank high in terms of their countries' or regions' contribution to overall trade in the U.S. or have high standing in

¹⁰ Data for the global currencies is derived, in part, from the Bank for International Settlements Triennial Central Bank Survey, December 2010 (“BIS Survey”). The global currencies included in the Indexes are limited to the top twenty currencies in terms of transaction volume, listed in the BIS Survey, under Table 3: “Currency distribution of foreign exchange turnover,” reflecting the percentage share of average daily turnover for the applicable month and year (“Table 3”). See <http://www.bis.org/publ/rpfx10t.htm>. Trade volume data for the currencies selected is derived from the Board of Governors of the Federal Reserve System, Foreign Exchange Rates – H.10 Release. See <http://www.federalreserve.gov/Releases/H10/Summary/> (“Federal Reserve Release”). The global currencies selected for the Indexes are limited to the top twenty currencies by trade volume included in the most recent Federal Reserve Release.

The Index Sponsor selects for both Indexes the top ten currencies included in both the most recent BIS Survey and Federal Reserve Release, giving equal weighting to both liquidity and trade volume. The currencies selected are given weights in each Index based equally on relative trade volume and relative liquidity as compared with the other included currencies. The Indexes each exclude any currency that is tied directly to the U.S. Dollar (e.g., Hong Kong Dollar) and limit the percentage weighting of the Chinese Yuan Renminbi (“CNY”) to three percent of the total weight of each Index, because the CNY is heavily managed by the Chinese government. The Indexes also exclude any currency that would receive a weighting of less than two percent of the Indexes, based on the relative weighting formula described above.

As of December 31, 2012 (the date of the most recent rebalancing of the Indexes), the components of each index were the following: Euro (34.3%); Japanese Yen (16.2%); Canadian Dollar (12.0%); British Pound (9.9%); Mexican Peso (8.5%); Australian Dollar (5.5%); Swiss Franc (4.9%); Korean Won (3.6%); Chinese Yuan Renminbi (3.0%); and Singapore Dollar (2.2%).

terms of rank in foreign exchange trading volume, although they must have influence in both categories. The basket of currencies will be selected and weighted using the U.S. trade volume reported by the Federal Reserve¹¹ as a proxy for contribution to trade flows and foreign exchange turnover as reported in the BIS Survey as a proxy for foreign exchange liquidity.¹² Countries and their respective currencies relative to the U.S. Dollar are ranked in terms of their contribution to overall U.S. trade and the percentage of overall transaction volume for their currencies. Exposure to individual currencies whose movement has been largely regulated by their government will be capped at three percent and currencies with preliminary weights of less than two percent are removed. The final weights are then derived by distributing the weight to the remaining currencies in proportion to the preliminary weights. Currencies that are strictly tied to the U.S. Dollar will be excluded.

The Bloomberg USD TR Index's annual rebalance is done in December every year with a reference date of the third Friday of the month and a rebalance date after the close of the last U.S. trading date of the month.

The Bloomberg US Dollar Index value is published real time under the ticker BBDXY on Bloomberg. The Bloomberg USD TR Index (BBDXT) value is generated once a day.

DI Bear Fund – Index Information

The DI Bear Fund will be an actively managed fund that seeks to provide total returns, before expenses, that exceed the performance of the Bloomberg Inverse USD TR Index. The Bloomberg Inverse USD TR Index is based on the Bloomberg US Dollar Index (as described above), which tracks changes in the value of the U.S. Dollar against a basket of developed and

¹¹ The data used by the Index Sponsor to determine trading volumes in each currency will derive from the Federal Reserve Release, note 10, supra.

¹² The transactional volume will be derived from the BIS Survey, note 10, supra.

emerging market currencies that have the highest liquidity in the currency markets and the biggest trade flows with the U.S. The Bloomberg Inverse USD TR Index additionally incorporates the impact of short-term interest rates in the global currencies. The Bloomberg Inverse USD TR Index is structured to potentially rise as global currencies appreciate relative to the U.S. Dollar.

The Bloomberg Inverse USD TR Index's annual rebalance is done in December every year with a reference date of the third Friday of the month and a rebalance date after the close of the last U.S. trading date of the month.

The Bloomberg Inverse USD TR Index (BBDXI) value is generated once a day.

The Indexes seek contrasting positions in the same currencies and the same weightings. The Bloomberg USD TR Index seeks to potentially benefit from a rise in the U.S. Dollar against a basket of currencies, while the Bloomberg Inverse USD TR Index seeks to potentially benefit from a fall in the U.S. Dollar against the same basket of currencies. The eligibility criteria for each of the Indexes and the method of weighting the Indexes are the same.

The Funds' Investment Methodologies

DI Bull Fund

According to the Registration Statement, under normal circumstances,¹³ the DI Bull Fund will invest at least 80% of its net assets in U.S.-issued and non-U.S.-issued money market securities,¹⁴ other U.S. government and investment grade non-U.S. government securities (i.e.,

¹³ The term "under normal circumstances" as used herein includes, but is not limited to, the absence of extreme volatility or trading halts in the fixed income markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

¹⁴ As used herein, the term "money market securities" includes: short-term, high quality

that are longer term than money market securities) and short-term investment grade corporate debt securities,¹⁵ as well as positions in currency forward contracts,¹⁶ listed currency options and

obligations issued or guaranteed by the U.S. Treasury or the agencies or instrumentalities of the U.S. government; short-term, high quality securities issued or guaranteed by non-U.S. governments, agencies, and instrumentalities; repurchase agreements backed by U.S. government and non-U.S. government securities; money market mutual funds; and deposit and other obligations of U.S. and non-U.S. banks and financial institutions. All money market securities acquired by a Fund will be rated investment grade, except that a Fund may invest in unrated money market securities that are deemed by the Adviser or Sub-Adviser to be of comparable quality to money market securities rated investment grade. The determination by the Adviser or the Sub-Adviser that an unrated security is of comparable quality to another security rated investment grade will be based on, among other factors, a comparison between the unrated security and securities issued by similarly situated companies to determine where in the spectrum of credit quality the unrated security would fall. The Adviser or Sub-Adviser would also perform an analysis of the unrated security and its issuer similar, to the extent possible, to that performed by a nationally recognized statistical rating organization (“NRSRO”) in rating similar securities and issuers. See Credit Analysis of Portfolio Securities, Commission No-Action Letter (May 8, 1990).

The term “investment grade,” for purposes of money market securities only, is intended to mean securities rated A1 or A2 by one or more NRSROs. As used herein, the term “U.S.-issued money market securities” means money market securities issued or guaranteed by the U.S. government, repurchase agreements backed by the U.S. government securities, and U.S.-based money market mutual funds and deposits and other obligations of financial institutions organized or having their principal place of business in the U.S. “Non-U.S.-issued money market securities” means money market securities issued or guaranteed by a non-U.S. government, repurchase agreements backed by non-U.S. government securities, non-U.S.-based money market mutual funds, and deposits and other obligations of financial institutions organized or having their principal place of business outside the U.S.

¹⁵ According to the Adviser, “investment grade” means securities (other than money market securities) rated in the Baa/BBB categories or above by one or more NRSROs. If a security is rated by multiple NRSROs and receives different ratings, the Fund will treat the security as being rated in the highest rating category received from an NRSRO. Rating categories may include sub-categories or gradations indicating relative standing.

¹⁶ A currency forward contract is an agreement to buy or sell a specific currency on a future date at a price set at the time of the contract. Each of the Funds will invest only in currencies, and instruments that provide exposure to such currencies, that have significant foreign exchange turnover and are included in the BIS Survey. To the extent a Fund invests in currencies, each Fund will invest in currencies, and instruments that provide exposure to such currencies, explicitly listed on Table 3 in the BIS Survey.

listed currency futures,¹⁷ currency swap agreements,¹⁸ and spot currencies to provide a long exposure, which is similar to price movements in the Bloomberg USD TR Index with the incorporation of relative interest rates in the United States and instruments in other representative countries.¹⁹ The DI Bull Fund will seek this exposure through investments in money market

¹⁷ The exchange-listed currency options in which each of the Funds may invest will be listed on exchanges in the U.S. or the United Kingdom. The exchange-listed futures contracts in which each of the Funds may invest will be listed on exchanges in the U.S., the United Kingdom, Hong Kong, or Singapore. Each of the United Kingdom’s primary financial markets regulator, the Financial Conduct Authority, Hong Kong’s primary financial markets regulator, the Securities and Futures Commission, and Singapore’s primary financial markets regulator, the Monetary Authority of Singapore, are signatories to the International Organization of Securities Commissions (“IOSCO”) Multilateral Memorandum of Understanding (“MMOU”), which is a multi-party information sharing arrangement among financial regulators. Both the Commission and the Commodity Futures Trading Commission are signatories to the IOSCO MMOU.

Each of the exchange-listed currency options and exchange-listed futures contracts in which a Fund may invest will be listed on exchanges that are members of the Intermarket Surveillance Group (“ISG”) or on an exchange with which the Exchange has entered into a comprehensive surveillance sharing agreement.

¹⁸ A currency swap agreement is a foreign exchange agreement between two institutions to exchange aspects (*i.e.*, the principal and interest payments) of a loan in one currency for equivalent aspects of an equal in net present value loan in another currency. The market for currency swaps in which each of the DI Funds and the CC Bear Fund will invest is highly liquid. See BIS Survey, note 10, supra, for daily turnover in currency swaps.

¹⁹ To the extent practicable, the DI Funds and the CC Bear Fund will invest in swaps cleared through the facilities of a centralized clearing house. The Funds may also invest in money market securities that may serve as collateral for the futures contracts, currency options, forward contracts, and currency swap agreements.

The Adviser or Sub-Adviser will also attempt to mitigate each Fund’s credit risk by transacting only with large, well-capitalized institutions using measures designed to determine the creditworthiness of the counterparty. The Adviser or Sub-Adviser will take various steps to limit counterparty credit risk which will be described in the Registration Statement. Each Fund will enter into forward contracts and swap agreements only with financial institutions that meet certain credit quality standards and monitoring policies. Each Fund may also use various techniques to minimize credit risk, including early termination or reset and payment, using different counterparties, and limiting the net amount due from any individual counterparty. The Funds generally will collateralize forward contracts and swap agreements with cash and/or certain securities. Such collateral will generally be held for the benefit of the counterparty in a segregated tri-party account at the custodian to protect the counterparty against non-payment by the

securities combined with a similar size notional position in currency forwards and currency futures in the individual component currencies of the Bloomberg USD TR Index. If a sufficiently liquid futures contract on the Bloomberg USD TR Index or a related index is later developed, the Fund may invest in such futures contract as a substitute for, or as a complement to, futures contracts or forward contracts on the individual currencies in the Bloomberg USD TR Index. Although the Fund may invest in spot currencies, listed currency options, and currency swaps, investments in such instruments are expected to be limited, in each case to not more than 20% of Fund net assets. If, subsequent to an investment, the 80% requirement is no longer met, the DI Bull Fund's future investments will be made in a manner that will bring the Fund into compliance with this policy. The Fund's investments in forward contracts, listed options and listed futures contracts, and swap agreements will be backed by investments in U.S. issued money market securities, longer-term U.S. government securities, or other liquid assets (e.g., commercial paper) in an amount equal to the exposure of such contracts.

Positioning for a stronger U.S. Dollar through a mixture of these securities and financial instruments is intended to provide a return reflective of the changes in the U.S. Dollar against the specified currencies, the U.S. cash rate, and the spread of U.S. interest rates against foreign interest rates.

The Fund may invest directly in foreign currencies in the form of bank and financial institution deposits, certificates of deposit, and bankers acceptances denominated in a specified non-U.S. currency, and may enter into foreign currency exchange transactions. As stated above, the Fund may also conduct its foreign currency exchange transactions on a spot (i.e., cash) basis

Fund. In the event of a default by the counterparty, and a Fund is owed money in the forward contract or swap transaction, the applicable Fund will seek withdrawal of the collateral from the segregated account and may incur certain costs exercising its right with respect to the collateral.

at the spot rate prevailing in the foreign currency exchange market.

In order to reduce interest rate risk, the Fund will generally maintain a weighted average portfolio maturity with respect to money market securities of 180 days or less on average (not to exceed 18 months) and will not purchase any money market securities with a remaining maturity of more than 397 calendar days. The “average portfolio maturity” of the Fund will be the average of all current maturities of the individual securities in the Fund’s portfolio. The Fund’s actual portfolio duration may be longer or shorter depending on market conditions.

The Exchange notes that the Fund’s fixed income investment portfolio will meet the listing criteria for index-based, fixed income ETFs contained in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02.²⁰

DI Bear Fund

According to the Registration Statement, under normal circumstances,²¹ the DI Bear Fund will invest at least 80% of its net assets in money market securities, other U.S. government and investment grade non-U.S. government securities (i.e., that are longer term than money

²⁰ See NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 governing fixed income based Investment Company Units. The requirements of Rule 5.2(j)(3), Commentary .02(a) include the following: (i) The index or portfolio must consist of Fixed Income Securities (as defined generally to include the Fund’s holdings in money market and other fixed income securities) (Rule 5.2(j)(3), Commentary.02(a)(1)); (ii) components that in the aggregate account for at least 75% of the weight of the index or portfolio must each have a minimum original principal amount outstanding of \$100 million or more (Rule 5.2(j)(3), Commentary.02(a)(2)); (iii) a component may be a convertible security, however, once the convertible security converts to an underlying equity security, the component is removed from the index or portfolio (Rule 5.2(j)(3), Commentary.02(a)(3)); (iv) no component fixed-income security (excluding Treasury Securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 65% of the weight of the index or portfolio (Rule 5.2(j)(3), Commentary.02(a)(4)); and (v) an underlying index or portfolio (excluding exempted securities) must include securities from a minimum of 13 non-affiliated issuers (Rule 5.2(j)(3), Commentary.02(a)(5)).

²¹ See note 13, supra.

market securities) and short-term investment grade corporate debt securities²² and positions in currency forward contracts,²³ listed currency options and currency futures,²⁴ currency swap agreements,²⁵ and spot currencies to provide a short exposure, which is similar to price movements in the Bloomberg Inverse USD TR Index with the incorporation of relative interest rates in the United States and instruments in other representative countries.²⁶ The DI Bear Fund will seek this exposure through investments in money market securities combined with a similar size notional position in currency forwards and currency futures in the individual component currencies of the Bloomberg Inverse USD TR Index. If a sufficiently liquid futures contract on the Bloomberg Inverse USD TR Index or a related index is later developed, the Fund may invest in such futures contract as a substitute for, or in [sic] complement to futures contracts or forward contracts on, the individual component currencies of the Bloomberg Inverse USD TR Index. Although the Fund may invest in spot currencies, currency options, and currency swaps, investments in such instruments are expected to be limited, in each case to not more than 20% of Fund net assets. If, subsequent to an investment, the 80% requirement is no longer met, the DI Bear Fund's future investments will be made in a manner that will bring the Fund into compliance with this policy. The Fund's investments in forward contracts, listed options contracts, listed futures contracts, and swap agreements will be backed by investments in U.S. issued money market securities, longer-term U.S. government securities, or other liquid assets (e.g., commercial paper) in an amount equal to the exposure of such contracts.

²² See note 15, supra, regarding the definition of "investment grade."

²³ See note 16, supra, regarding currency forward contracts.

²⁴ See note 17, supra, regarding listed currency options and listed futures contracts in which the Fund may invest.

²⁵ See note 18, supra, regarding currency swap agreements.

²⁶ See note 19, supra.

Positioning for a weaker U.S. Dollar through a mixture of these securities and financial instruments is intended to provide a return reflective of the change in the basket of currencies relative to the U.S. Dollar, the rate of U.S.-issued money market securities, and the spread of foreign interest rates over the U.S. Dollar.

The Fund may invest directly in foreign currencies in the form of bank and financial institution deposits, certificates of deposit, and bankers acceptances denominated in a specified non-U.S. currency, and may enter into foreign currency exchange transactions. As stated above, the Fund may also conduct its foreign currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market.

In order to reduce interest rate risk, the Fund will generally maintain a weighted average portfolio maturity with respect to money market securities of 180 days or less on average (not to exceed 18 months) and will not purchase any money market securities with a remaining maturity of more than 397 calendar days. The “average portfolio maturity” of the Fund will be the average of all current maturities of the individual securities in the Fund’s portfolio. The Fund’s actual portfolio duration may be longer or shorter depending on market conditions.

The Exchange notes that the Fund’s investment portfolio in fixed income securities will meet the listing criteria for index-based, fixed income ETFs contained in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02.²⁷

CC Bear Fund

The CC Bear Fund will be an actively-managed fund that seeks to provide total returns reflective of changes in the value of the U.S. Dollar relative to the currencies of selected commodity exporters and the difference between the relative short-term interest rates in the

²⁷ See note 20, supra.

United States and comparable interest rates available for the investments in the currencies of those selected commodity exporters. The CC Bear Fund will seek to potentially benefit from appreciation in the U.S. Dollar relative to the selected commodity currencies. As used herein, the term “commodity currency” generally means the currency of a country whose economic success is commonly identified with the production and export of commodities (such as precious metals, oil, agricultural products, or other raw materials) and whose value is closely linked to the value of such commodities. These countries currently include Australia, Brazil, Canada, Chile, Indonesia, Mexico, New Zealand, Norway, Russia, and South Africa.

According to the Registration Statement, under normal circumstances,²⁸ the CC Bear Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in investments that are tied economically to selected commodity producing countries available to U.S. investors that make a significant contribution to the global export of commodities. Such investments may include a combination of positions in money market securities, other U.S. government and investment grade non-U.S. government securities (*i.e.*, that are longer term than money market securities) and short-term investment grade corporate debt securities,²⁹ with investments in currency forwards,³⁰ listed currency options and listed currency futures,³¹ currency swaps,³² and spot currencies to provide exposure to the change in value of the U.S. dollar relative to selected commodity currencies.³³ The CC Bear Fund will seek this

²⁸ See note 13, *supra*.

²⁹ See note 15, *supra*, regarding definition of “investment grade.”

³⁰ See note 16, *supra*, regarding currency forward contracts.

³¹ See note 17, *supra*, regarding listed currency option and listed futures contracts in which the Fund may invest.

³² See note 18, *supra*, regarding currency swap agreements.

³³ See note 19, *supra*.

exposure through investments in money market securities combined with a similar size notional position in currency forwards and currency futures in the individual selected currencies.

Although the Fund may invest in spot currencies, listed currency options, and currency swaps, investments in such instruments are expected to be limited, in each case to not more than 20% of Fund net assets. If, subsequent to an investment, the 80% requirement is no longer met, the CC Bear Fund's future investments will be made in a manner that will bring the Fund into compliance with this policy.

The Fund's investments in forward contracts, listed options contracts, listed futures contracts, and currency swap agreements will be backed by investments in U.S. issued money market securities, longer-term U.S. government securities, or other liquid assets (e.g., commercial paper) in an amount equal to the exposure of such contracts.

In addition to seeking broad exposure to the movements in the U.S. Dollar relative to the commodity currencies, the Fund intends to seek exposure across currencies correlated to each of their key commodity groups: industrial metals; precious metals; energy; agriculture; and livestock. The CC Bear Fund generally will invest only in currencies that "float" relative to other currencies.³⁴ The Fund will invest only in currencies that it deems sufficiently liquid and accessible.

The Fund may invest directly in foreign currencies in the form of bank and financial institution deposits, certificates of deposit, and bankers acceptances denominated in a specified non-U.S. currency, and may enter into foreign currency exchange transactions. As stated above,

³⁴ The value of a floating currency is largely determined by supply and demand and prevailing market rates. In contrast, the value of a "fixed" currency is generally set by a government or central bank at an official exchange rate. The Fund therefore generally does not intend to invest in the currency of certain major commodity producers, such as China, Saudi Arabia, and the United Arab Emirates, since their respective currencies are fixed or otherwise closely linked to the U.S. dollar.

the Fund may also conduct its foreign currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market.

Positioning for a stronger U.S. Dollar through a mixture of these securities and financial instruments is intended to provide a return reflective of the changes in the U.S. Dollar against the specified currencies, the U.S. cash rate, and the spread of foreign interest rates against U.S. interest rates.

In order to reduce interest rate risk, the Fund will generally maintain a weighted average portfolio maturity with respect to money market securities of 90 days or less. The “average portfolio maturity” of the Fund will be the average of all current maturities of the individual securities in the Fund’s portfolio. The Fund’s actual portfolio duration may be longer or shorter depending on market conditions.

The CC Bear Fund is actively-managed and is not tied to an index. The Exchange notes, however, that the Fund’s investment portfolio in fixed income securities will meet the listing criteria for index-based, fixed income ETFs contained in NYSE Arca Equities Rule 5.2(j)(3).³⁵

Other Investments of the Funds

Each Fund reserves the right to invest in fixed income securities and cash, without limitation, as determined by the Adviser or Sub-Adviser in response to adverse market, economic, political, or other conditions. Each Fund may also “hedge” or minimize its respective exposures to one or more foreign currencies in response to such conditions.

While each Fund, under normal circumstances, will invest at least 80% of its net assets in securities and other financial instruments as described above, each Fund may invest its remaining assets in other securities and financial instruments, as generally described below.

³⁵ See note 20, supra.

Each Fund may invest in the securities of other investment companies and exchange-traded products,” including other ETFs registered under the 1940 Act (“ETPs”).³⁶

Each Fund may hold up to an aggregate of 15% of its net assets in illiquid securities (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Adviser or Sub-Adviser in accordance with Commission guidance.³⁷ Each Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if through a change in values, net assets, or other circumstances, more than 15% of a Fund’s net assets are held in illiquid securities. Illiquid

³⁶ When used herein, ETPs may include, without limitation, Investment Company Units (as described in NYSE Arca Equities Rule 5.2(j)(3)); Index-Linked Securities (as described in NYSE Arca Equities Rule 5.2(j)(6)); Portfolio Depositary Receipts (as described in NYSE Arca Equities Rule 8.100); Trust-Issued Receipts (as described in NYSE Arca Equities Rule 8.200); Commodity-Based Trust Shares (as described in NYSE Arca Equities Rule 8.201); Currency Trust Shares (as described in NYSE Arca Equities Rule 8.202); Commodity Index Trust Shares (as described in NYSE Arca Equities Rule 8.203); Trust Units (as described in NYSE Arca Equities Rule 8.500); and Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600). The ETPs in which the Funds may invest all will be listed and traded on U.S. registered exchanges. The Funds will invest in the securities of ETPs registered under the 1940 Act consistent with the requirements of Section 12(d)(1) of the 1940 Act or any rule, regulation or order of the Commission or interpretation thereof. The Funds will only make such investments in conformity with the requirements of Section 817 of the Internal Revenue Code of 1986. The ETPs in which the Funds may invest will primarily be indexed-based ETFs that hold substantially all of their assets in securities representing a specific index. While the Funds may invest in inverse ETPs, the Funds will not invest in leveraged (e.g., 2X, -2X, 3X, or -3X) ETPs.

³⁷ A Fund’s Sub-Adviser will be responsible for complying with the Fund’s restrictions on investing in illiquid securities. In doing that, the Sub-Adviser makes ongoing determinations about the liquidity of Rule 144A securities that the respective Fund may invest in. In reaching liquidity decisions, the Sub-Adviser may consider the following factors: the frequency of trades and quotes for the security; the number of dealers wishing to purchase or sell the security and the number of other potential purchasers and dealer undertakings to make a market in the security; and the nature of the security and the nature of the marketplace trades (e.g., the time needed to dispose of the security, the method of soliciting offers, and the mechanics of transfer).

securities include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets as determined in accordance with Commission staff guidance.³⁸

According to the Registration Statement, with respect to each of the Funds, the Funds each intend to qualify each year as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended.³⁹

None of the Funds will concentrate 25% or more of the value of its respective total assets (taken at market value at the time of each investment) in any one industry, as that term is used in the 1940 Act (except that this restriction does not apply to obligations issued by the U.S. government or its agencies and instrumentalities).⁴⁰

None of the Funds will invest in any non-U.S. equity securities. Each Fund’s investments will be consistent with the Fund’s respective investment objective and will not be used to enhance leverage.

³⁸ The Commission has stated that long-standing Commission guidelines have required open-end funds to hold no more than 15% of their net assets in illiquid securities and other illiquid assets. See Investment Company Act Release No. 28193 (March 11, 2008), 73 FR 14618 (March 18, 2008), footnote 34. See also Investment Company Act Release No. 5847 (October 21, 1969), 35 FR 19989 (December 31, 1970) (Statement Regarding “Restricted Securities”); Investment Company Act Release No. 18612 (March 12, 1992), 57 FR 9828 (March 20, 1992) (Revisions of Guidelines to Form N-1A). A fund’s portfolio security is illiquid if it cannot be disposed of in the ordinary course of business within seven days at approximately the value ascribed to it by the fund. See Investment Company Act Release No. 14983 (March 12, 1986), 51 FR 9773 (March 21, 1986) (adopting amendments to Rule 2a-7 under the 1940 Act); Investment Company Act Release No. 17452 (April 23, 1990), 55 FR 17933 (April 30, 1990) (adopting Rule 144A under the Securities Act).

³⁹ 26 U.S.C. 851.

⁴⁰ See Form N-1A, Item 9. The Commission has taken the position that a fund is concentrated if it invests more than 25% of the value of its total assets in any one industry. See, e.g., Investment Company Act Release No. 9011 (Oct. 30, 1975), 40 FR 54241 (November 21, 1975).

The Shares

The Funds will issue and redeem Shares on a continuous basis at net asset value (“NAV”)⁴¹ only in large blocks of Shares (“Creation Units”) in transactions with Authorized Participants (as defined below). Creation Units generally will consist of 100,000 Shares, though this may change from time to time. Creation Units are not expected to consist of less than 50,000 Shares. The Funds will each issue and redeem Creation Units in exchange for a portfolio of money market securities and other instruments closely approximating the holdings of such Fund or a combination of money market securities, other instruments (“Deposit Securities”), and/or an amount of U.S. cash representing one or more Deposit Securities (“Deposit Cash”). Once created, Shares of the Funds will trade on the secondary market in amounts less than a Creation Unit.

Together, the Deposit Securities and/or Deposit Cash and the Cash Component will constitute the “Fund Deposit,” which represents the minimum initial and subsequent investment amount for a Creation Unit of the applicable Fund. The “Cash Component” will be an amount equal to the difference between the NAV of the Shares (per Creation Unit) and the market value of the Deposit Securities (e.g., if the NAV per Creation Unit is less than the market value of the Deposit Securities, the Cash Component will be a corresponding negative amount and the creator will be entitled to receive cash in an amount equal to the Cash Component). The Cash Component will serve the function of compensating for any differences between the NAV per Creation Unit and the market value of the Deposit Securities and/or Deposit Cash, as applicable.

⁴¹ The NAV of each Fund’s Shares generally is calculated once daily Monday through Friday as of the close of regular trading on the New York Stock Exchange, generally 4:00 p.m. Eastern time or “E.T.” (“NAV Calculation Time”). NAV per Share is calculated by dividing a Fund’s net assets by the number of Fund Shares outstanding. For more information regarding the valuation of Fund investments in calculating a Fund’s NAV, see the Registration Statement for such Fund.

According to the Registration Statement, to be eligible to place orders with respect to creations and redemptions of Creation Units, an entity must be (i) a “Participating Party,” i.e., a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation (“NSCC”), or (ii) a Depository Trust Company (“DTC”) participant. In addition, each Participating Party or DTC participant (each, an “Authorized Participant”) must execute an agreement that has been agreed to by the Principal Underwriter and the Transfer Agent, and that has been accepted by the Trust, with respect to purchases and redemptions of Creation Units.

The Custodian, through the NSCC, will make available on each business day, immediately prior to the opening of business on the Exchange’s Core Trading Session (currently 9:30 a.m. E.T.), the list of names and the required number of each Deposit Security and/or Deposit Cash, as applicable, to be included in the current Fund Deposit (based on information at the end of the previous business day) for the applicable Fund. Such Fund Deposit is subject to any applicable adjustments, in order to effect purchases of Creation Units of the Fund until such time as the next-announced composition of the Deposit Securities and/or Deposit Cash, as applicable, is made available.

Shares may be redeemed only in Creation Units at their NAV next determined after receipt of a redemption request in proper form by the applicable Fund through the Transfer Agent and only on a business day.

With respect to the Fund, the Custodian, through the NSCC, will make available immediately prior to the opening of business on the Exchange (9:30 a.m. E.T.) on each business day, the list of the names and quantities of the applicable Fund’s portfolio securities (“Fund Securities”) that will be applicable (subject to possible amendment or correction) to redemption

requests received in proper form on that day. Fund Securities on redemption may not be identical to Deposit Securities.

Redemption proceeds for a Creation Unit will be paid either in-kind or in cash or a combination thereof, as determined by the Trust. With respect to in-kind redemptions of the Fund, redemption proceeds will consist of Fund Securities as announced by the Custodian on the business day of the request for redemption received in proper form plus cash in an amount equal to the difference between the NAV of the Shares being redeemed, as next determined after receipt of a request in proper form, and the value of the Fund Securities (“Cash Redemption Amount”), less a fixed redemption transaction fee and any applicable variable charge as set forth in the Registration Statement. In the event the Fund Securities have a value greater than the NAV of the Shares, a compensating cash payment equal to the differential will be required to be made by or through an Authorized Participant by the redeeming shareholder. Notwithstanding the foregoing, at the Trust’s discretion, an Authorized Participant may receive the corresponding cash value of the securities in lieu of the in-kind securities value representing one or more Fund Securities.

The creation/redemption order cut-off time for the Funds is expected to be 4:00 p.m. E.T. for purchases/redemptions of Shares. On days when the Exchange closes earlier than normal, the applicable Fund may require orders for Creation Units to be placed earlier in the day.

Additional information regarding the Shares and the Funds, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions, and taxes is included in the Registration Statement.

Net Asset Value

The NAV per Share for each of the Funds will be computed by dividing the value of the

net assets of each Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding, rounded to the nearest cent. Expenses and fees, including the management fees, are accrued daily and taken into account for purposes of determining NAV.⁴² The NAV of each Fund will be calculated by the Custodian and determined at the close of regular trading session on the Exchange (ordinarily 4:00 p.m. E.T.) on each day that the Exchange is open, provided that fixed-income assets may be valued as of the announced closing time for trading in fixed-income instruments on any day that the Securities Industry and Financial Markets Association (or the applicable exchange or market on which the applicable Fund's investments are traded) announces an early closing time. Creation/redemption order cut-off times may also be earlier on such days.

In calculating a Fund's NAV per Share, the Fund's investment will generally be valued using market valuations. A market valuation generally means a valuation (i) obtained from an exchange, a pricing service, or a major market maker (or dealer), (ii) based on a price quotation or other equivalent indication of value supplied by an exchange, a pricing service, or a major market maker or dealer, or (iii) based on amortized cost, for securities with remaining maturities of 60 days or less. The Adviser may use various pricing services or discontinue the use of any pricing service, as approved by the applicable Fund's board of trustees ("Board") from time to time. A price obtained from a pricing service based on such pricing service's valuation matrix may be considered a market valuation. Any assets or liabilities denominated in currencies other

⁴² International Data Corporation ("IDC") is expected to be the primary price source for each Fund's assets. Each Fund may also rely, however, on other recognized third-party pricing sources, including without limitation, Bloomberg, WM Reuters, JP Morgan, Markit, and JJ Kenney, to provide prices for certain asset categories including, among others, currency swaps, currency forward contracts, spot currencies, and corporate securities, in each case as approved or ratified, from time to time, by the applicable Fund's board of trustees. Exchange listed instruments will be valued, based on the end of day exchange prices of those instruments.

than the U.S. dollar will be converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

In the event that current market valuations are not readily available or such valuations do not reflect current market value, the Trust's procedures require the Trust's Valuation Committee to determine a security's or other asset's fair value in accordance with the 1940 Act if a market price is not readily available.⁴³ In determining such value, the Trust's Valuation Committee may consider, among other things, (i) price comparisons among multiple sources, (ii) a review of corporate actions and news events, and (iii) a review of relevant financial indicators (e.g., movement in interest rates and market indices). In these cases a Fund's NAV may reflect certain portfolio securities' or other assets' fair values rather than their market prices. Fair value pricing involves subjective judgments and it is possible that the fair value determination for a security or other asset is materially different than the value that could be realized upon the sale of the security.

Availability of Information

The Funds' website (www.wisdomtree.com), which will be publicly available prior to the public offering of Shares, will include a form of the prospectus for the Funds that may be downloaded. The website will include additional quantitative information updated on a daily basis, including, for each Fund: (1) the prior business day's reported NAV, mid-point of the

⁴³ The Trust's Board has established a Valuation Committee that is composed of officers of the Trust, investment management personnel of the Adviser and senior operations and administrative personnel of the applicable Sub-Adviser. The Valuation Committee is responsible for the valuation and revaluation of any portfolio investments for which market quotations are not readily available. The Valuation Committee has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding valuation and revaluation of any portfolio investment.

bid/ask spread at the time of calculation of such NAV (“Bid/Ask Price”),⁴⁴ and a calculation of the premium and discount of the Bid/Ask Price against the NAV; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. On each business day, before commencement of trading in Shares in the Core Trading Session⁴⁵ on the Exchange, the Trust will disclose on its website the identities and quantities of the portfolio of securities and other assets (“Disclosed Portfolio”) held by each Fund that will form the basis for each Fund’s calculation of NAV at the end of the business day.⁴⁶ The Disclosed Portfolio will include, as applicable, the names, quantity, percentage weighting, and market value of money market securities and other assets held by the Fund and the characteristics of such assets. The website and information will be publicly available at no charge.

In addition, for each Fund, an estimated value, defined in Rule 8.600 as the “Portfolio Indicative Value,” that reflects an estimated intraday value of the Fund’s portfolio, will be widely disseminated.⁴⁷ The Portfolio Indicative Value will be based upon the current value for the components of the Disclosed Portfolio and will be updated and disseminated by one or more

⁴⁴ The Bid/Ask Price of a Fund will be determined using the mid-point of the highest bid and the lowest offer on the Exchange as of the time of calculation of such Fund’s NAV. The records relating to Bid/Ask Prices will be retained by each Fund and its service providers.

⁴⁵ The Core Trading Session is 9:30 a.m. to 4:00 p.m. E.T.

⁴⁶ Under accounting procedures to be followed by the Funds, trades made on the prior business day (“T”) will be booked and reflected in NAV on the current business day (“T+1”). Notwithstanding the foregoing, portfolio trades that are executed prior to the opening of the Exchange on any business day may be booked and reflected in NAV on such business day. Accordingly, each Fund will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

⁴⁷ Currently, it is the Exchange’s understanding that several major market data vendors display and/or make widely available Portfolio Indicative Values taken from the Consolidated Tape Association (“CTA”) or other data feeds.

major market data vendors at least every 15 seconds during the Core Trading Session on the Exchange. In addition, during hours when the markets for money market securities in a Fund's portfolio are closed, the Portfolio Indicative Value will be updated at least every 15 seconds during the Core Trading Session to reflect currency exchange fluctuations.

The dissemination of the Portfolio Indicative Value, together with the Disclosed Portfolio, will allow investors to determine the value of the underlying portfolio of each Fund on a daily basis and to provide a close estimate of that value throughout the trading day.

Intra-day executable price quotations on money market securities and other Fund fixed income securities, currency forwards, currency options, currency futures, currency swaps, and foreign exchange are available from major broker-dealer firms. Price information for listed currency options, listed currency futures, and ETPs is available from the exchange on which they trade. Intra-day price information is available through subscription services, such as Bloomberg and Thomson Reuters, which can be accessed by Authorized Participants and other investors. Information regarding market price and volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. The previous day's closing price and trading volume information will be published daily in the financial section of newspapers. Quotation and last-sale information for the Shares will be available via the CTA high-speed line.

Initial and Continued Listing

The Shares will be subject to Rule 8.600, which sets forth the initial and continued listing criteria applicable to Managed Fund Shares. The Exchange represents that, for initial and/or continued listing, the Funds must be in compliance with Rule 10A-3 under the Act,⁴⁸ as provided

⁴⁸ See 17 CFR 240.10A-3.

by NYSE Arca Equities Rule 5.3. A minimum of 100,000 Shares for each Fund will be outstanding at the commencement of trading on the Exchange. The Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time.

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 a Fund. Shares of each Fund will be halted if the “circuit breaker” parameters in NYSE Arca Equities Rule 7.12 are reached. These may include: (1) the extent to which trading is not occurring in the securities or the financial instruments comprising the Disclosed Portfolio of a Fund; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. Trading in the Shares will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth circumstances under which Shares of a Fund may be halted.

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 4:00 a.m. to 8:00 p.m. E.T. in accordance with NYSE Arca Equities Rule 7.34 (Opening, 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 Equities Rule 7.6, Commentary .03, 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.

Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading 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.⁴⁹ The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

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.

FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, ETPs, futures contracts, and options contracts with other markets and other entities that are members of the ISG, and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares, ETPs, futures contracts, and options contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, ETPs, futures contracts, and options contracts from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing

⁴⁹ FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.

agreement.⁵⁰ The ETPs, currency options, and currency futures held by the Funds all will be traded on registered exchanges that are ISG members or with which the Exchange has in place a comprehensive surveillance sharing agreement.

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

Information Bulletin

Prior to the commencement of trading of Shares in a Fund, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) the procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated Portfolio Indicative Value will not be calculated or publicly disseminated; (4) how information regarding the Portfolio Indicative Value is disseminated; (5) the requirement that Equity Trading Permit Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Bulletin will reference that a Fund is subject to various fees and expenses described in the Registration Statement. The Bulletin will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will

⁵⁰ For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of the Disclosed Portfolio for a Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

also disclose that the NAV for the Shares will be calculated after 4:00 p.m. E.T. each trading day.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)⁵¹ 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 propose rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.600. 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. The Adviser is not registered as, or affiliated, with a broker-dealer. Mellon is not a broker-dealer, but it is affiliated with multiple broker-dealers and has implemented a “fire wall” with respect to such broker-dealers regarding access to information concerning the composition and/or changes to a Fund’s portfolio. In the event (a) the Adviser or Sub-Adviser becomes registered as, or the Adviser becomes newly affiliated with, a broker-dealer, or (b) any new adviser or sub-adviser is registered as or is affiliated with a broker-dealer, they will implement a fire wall with respect to such broker-dealer regarding access to information concerning the composition and/or changes to the applicable Fund’s portfolio, and will be subject to procedures designed to prevent the use and dissemination of material, non-public

⁵¹ 15 U.S.C. 78f(b)(5).

information regarding such portfolio. In addition, Sub-Adviser personnel who make decisions regarding each Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the Fund's portfolio. The Index Sponsor is not a broker-dealer but is affiliated with one or more broker-dealers. The Index Sponsor has implemented procedures designed to prevent the illicit use and dissemination of material, non-public information regarding the Indexes and has implemented a "fire wall" with respect to such broker-dealers regarding the Indexes. FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, ETPs, futures contracts, and options contracts with other markets and other entities that are members of the ISG and FINRA, and on behalf of the Exchange, may obtain trading information regarding trading in the Shares, ETPs, futures contracts, and options contracts from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, ETPs, futures contracts, and options contracts from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The ETPs, currency options, and currency futures held by the Funds all will be traded on registered exchanges that are ISG members or with which the Exchange has in place a comprehensive surveillance sharing agreement. The holdings of the Funds will be comprised primarily of money market securities and related investments in derivative instrument such as forward contracts, listed futures contracts, currency options, and swap agreements, as well as spot currencies. Each Fund's fixed income investment portfolio will meet the listing criteria for index-based, fixed income ETFs contained in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02.⁵² Each of the Funds will invest only in currencies, and instruments that provide exposure to such currencies, that have

⁵² See note 20, supra.

significant foreign exchange turnover and are included in the BIS Survey. To the extent practicable, each Fund will invest in swaps cleared through the facilities of a centralized clearinghouse. The Funds' investments in currency forward contracts, listed futures contracts, listed options contracts, and swap agreements will be backed by investments in U.S. issued money market securities, longer-term U.S. government securities, or other liquid assets (e.g., commercial paper) in an amount equal to the exposure of such contracts. The Funds therefore will not use derivative instruments to enhance leverage. The listed currency options contracts and listed futures contracts in which the Funds will invest will be listed on U.S. exchanges regulated by the Commission or the CFTC, as applicable, or on specified foreign exchanges that are members of ISG and whose regulators are signatories to the IOSCO MMOU. The Funds will limit investments in illiquid securities, including Rule 144A securities deemed illiquid by the Sub-Adviser, to 15% of net assets in conformance with Commission guidance, and they will not invest in non-U.S. equity securities. Each Fund's investments will be consistent with that Fund's investment objective and will not be used to enhance leverage. While the Fund may invest in inverse ETPs, the Fund will not invest in leveraged (e.g., 2X, -2X, 3X, or -3X) ETPs.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Exchange will obtain a representation from the issuer of the Shares that the NAV per Share of each Fund will be calculated daily every day the NYSE is open, and that the applicable NAV and Disclosed Portfolio will be made available to all market participants at the same time. In addition, a large amount of publicly available information will be publicly available regarding the Funds and the Shares, thereby promoting market transparency.

The Exchange believes that the proposed rule change will facilitate the listing and trading

of additional types of exchange-traded products that will enhance competition among market participants, to the benefit of investors and the marketplace. In addition, the listing and trading criteria set forth in Rule 8.600 are intended to protect investors and the public interest. Each Fund's portfolio holdings that will form the basis for the Fund's calculation of NAV will be disclosed on its website daily after the close of trading on the Exchange and prior to the opening of trading of Shares in the Core Trading Session on the Exchange the following day. In addition, the Portfolio Indicative Value, as defined in NYSE Arca Equities Rule 8.600(c)(3), will be disseminated by the CTA or by one or more major market data vendors at least every 15 seconds during the Core Trading Session. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services, and quotation and last-sale information will be available via the CTA high speed line. In addition, the Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares. The website for the Funds will include a form of the applicable prospectuses for the Funds and additional data relating to the NAV and other applicable quantitative information. Moreover, prior to the commencement of trading, the Exchange will inform its ETP holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Trading in Shares of the Funds will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12 have been reached in the applicable Fund or because of market condition or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable, and trading in the Shares will be subject to NYSE Arca Rule 8.600(d)(2)(D), which sets forth circumstances under which trading in Shares of the Funds may be halted. In addition, as noted above, investors will have ready access to information regarding the Funds' holdings, the Portfolio Indicative Values, the Disclosed Portfolios, and quotation and last-sale

information for the Shares of the Funds.

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 additional actively-managed exchange-traded products 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 after publication (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-2013-101 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSEArca-2013-101. 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-NYSEArca-2013-101 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.⁵³

Kevin M. O'Neill
Deputy Secretary

⁵³ 17 CFR 200.30-3(a)(12).