

Additions underscored
Deletions [bracketed]

NYSE Arca Equities Rules

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Rule 8.600. Managed Fund Shares

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(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

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(5) Normal Market Conditions. The term “normal market conditions” includes, but is not limited to, the absence of trading halts in the applicable 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.

(d) Initial and Continued Listing -- Managed Fund Shares will be listed and traded on the Corporation subject to application of the following criteria:

(1) Initial Listing -- Each series of Managed Fund Shares will be listed and traded on the Corporation subject to application of the following initial listing criteria:

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(C) All Managed Fund Shares shall have a stated investment objective, which shall be adhered to under normal market conditions.

(2) Continued Listing -- Each series of Managed Fund Shares will be listed and traded on the Corporation subject to application of the following continued listing criteria:

(A) Portfolio Indicative Value. The Portfolio Indicative Value for Managed Fund Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the [time when the Managed Fund Shares trade on the Corporation] Core Trading Session (as defined in NYSE Arca Equities Rule 7.34).

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Commentary:

.01 [The Corporation will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and/or trading of Managed Fund Shares.] The Corporation may approve Managed Fund Shares for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934. Components of a series of Managed Fund Shares listed pursuant to Rule 19b-4(e) shall satisfy the initial and continued criteria set forth below. The Corporation will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and trading of a series of Managed Fund Shares with components that do not satisfy the criteria set forth below or components other than those specified below.

(a) Equity – For purposes of Commentary .01 to this rule, equity securities include the following: U.S. Component Stocks (as defined in Rule 5.2(j)(3)), Derivative Securities Products (as defined in Rule 7.34(a)(4)(A)), and Index-Linked Securities (securities listed under Rule 5.2(j)(6)) listed on a national securities exchange.

(1) Component stocks (excluding Derivative Securities Products and Index-Linked Securities) that in the aggregate account for at least 90% of the equity weight of the portfolio (excluding such Derivative Securities Products and Index-Linked Securities) each shall have a minimum market value of at least \$75 million;

(2) Component stocks (excluding Derivative Securities Products and Index-Linked Securities) that in the aggregate account for at least 70% of the equity weight of the portfolio (excluding such Derivative Securities Products and Index-Linked Securities) each shall have a minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of \$25,000,000, averaged over the last six months;

(3) The most heavily weighted component stock (excluding Derivative Securities Products and Index-Linked Securities) shall not exceed 30% of the equity weight of the portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products and Index-Linked Securities)

shall not exceed 65% of the equity weight of the portfolio;

- (4) The portfolio shall include a minimum of 13 component stocks; provided, however, that there shall be no minimum number of component stocks if (a) one or more series of Derivative Securities Products or Index-Linked Securities constitute, at least in part, components underlying a series of Managed Fund Shares, or (b) one or more series of Derivative Securities Products or Index-Linked Securities account for 100% of the equity weight of the portfolio of a series of Managed Fund Shares;
 - (5) Equity securities (excluding unsponsored American Depository Receipts (“ADRs”) in the portfolio shall be U.S. Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934;
 - (6) For Derivative Securities Products and Index-Linked Securities, no more than 25% of the equity weight of the portfolio shall consist of leveraged and/or inverse leveraged Derivative Securities Products or Index-Linked Securities; and
 - (7) ADRs may be sponsored or unsponsored. However no more than 10% of the equity weight of the portfolio shall consist of unsponsored ADRs.
- (b) Fixed Income – Fixed income securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities (“Treasury Securities”), government-sponsored entity securities (“GSE Securities”), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof, investment grade and high yield corporate debt, bank loans, mortgage and asset backed securities, and commercial paper.

- (1) Components that in the aggregate account for at least 75% of the fixed income weight of the portfolio each shall meet the following:

 - (i) each shall have a minimum original principal amount outstanding of \$100 million or more; or
 - (ii) if a municipal bond component, such component shall be issued in an offering with an aggregate size, as set forth in the official statement of the offering, of \$100 million or more;
- (2) No component fixed-income security (excluding Treasury Securities and GSE Securities) shall represent more than 30% of the fixed income weight of the portfolio, and the five most heavily weighted component fixed income securities in the portfolio shall not in the aggregate account for more than 65% of the fixed income weight of the portfolio;
- (3) An underlying portfolio (excluding exempted securities) shall include a minimum of 13 non-affiliated issuers;
- (4) Component securities that in aggregate account for at least 90% of the fixed income weight of the portfolio must be either (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of \$700 million or more; (c) from issuers that have outstanding securities that are notes, bonds debentures, or evidence of indebtedness having a total remaining principal amount of at least \$1 billion; (d) exempted securities as defined in Section 3(a)(12) of the Securities Exchange Act of 1934; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country; and
- (5) Non-agency mortgage-related and other asset-backed securities components of a portfolio shall

not account for more than 20% of the weight of the fixed income portion of the portfolio.

- (c) Cash and Cash Equivalents. The portfolio may hold short-term instruments with maturities of less than 3 months (as described herein), and it may hold cash.
- (1) There shall be no limitation to the percentage of the portfolio invested in such holdings.
 - (2) Short-term instruments shall include, without limitation, the following:
 - (i) U.S. Government securities, including bills, notes and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities;
 - (ii) certificates of deposit issued against funds deposited in a bank or savings and loan association;
 - (iii) bankers' acceptances, which are short-term credit instruments used to finance commercial transactions;
 - (iv) repurchase agreements and reverse repurchase agreements;
 - (v) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; and
 - (vi) commercial paper, which are short-term unsecured promissory notes.
- (d) Listed and Centrally Cleared Derivatives. The portfolio may hold listed and centrally cleared derivatives, including futures, options and cleared swaps on commodities, currencies and financial instruments (e.g.,

stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing.

(1) There shall be no limitation to the percentage of the portfolio invested in such holdings; provided, however, that, in the aggregate, at least 90% of the weight of such holdings invested in futures and exchange-traded options shall consist of futures and options whose principal market is a member of the Intermarket Surveillance Group or is a market with which the Exchange has a comprehensive surveillance sharing agreement.

(2) The website of each series of Managed Fund Shares holding any listed and centrally cleared derivative shall disclose the following information regarding any underlying derivative, to the extent relevant:

(i) ticker symbol;

(ii) CUSIP or other identifier;

(iii) description of the holding;

(iv) identity of the security, commodity, index or other asset upon which the derivative is based;

(v) the strike price for any options;

(vi) the quantity of each such derivative held as measured by;

(I) par value,

(II) notional value,

(III) number of shares,

(IV) number of contracts,

(V) number of units

(vii) maturity date;

(viii) coupon rate;

(ix) effective date;

(x) market value; and

(xi) percentage weighting of the holding in the portfolio.

(e) OTC Derivatives. The portfolio may hold OTC derivatives, including forwards, options and swaps on commodities, currencies and financial instruments (e.g., stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing.

(1) There shall be no limitation to the percentage of the portfolio invested in such holdings.

(2) The website of each series of Managed Fund Shares holding any OTC derivative shall disclose the following information regarding any underlying derivative, to the extent relevant:

(i) ticker symbol;

(ii) CUSIP or other identifier;

(iii) description of the holding;

(iv) identity of the security, commodity, index or other asset upon which the derivative is based;

(v) the strike price for any options;

(vi) the quantity of each such derivative held as measured by;

(I) par value,

(II) notional value,

(III) number of shares,

(IV) number of contracts,

(V) number of units,

(vii) maturity date;

____ (viii) coupon rate;

____ (ix) effective date;

____ (x) market value; and

____ (xi) percentage weighting of the holding in the
____ portfolio.

(f) Illiquid Assets.

(1) The portfolio may hold up to an aggregate amount of 15% of the weight of its portfolio (calculated at the time of investment) in assets deemed illiquid by the Adviser.

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