

Underlining indicates new text;
[brackets] indicate deletions.

Text of the Proposed Rule Change

Rules of the NYSE Arca, Inc.

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Rule 8-E

Trading of Certain Equity Derivatives

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Rule 8.601-E. Active Proxy Portfolio Shares

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Commentary:

.01 [The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and trading of a series of Active Proxy Portfolio Shares.] The Exchange may approve Active Proxy Portfolio 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 Active Proxy Portfolio Shares listed pursuant to Rule 19b-4(e) shall satisfy the criteria set forth in this Rule 8.601-E upon initial listing and on a continual basis. The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and trading of a series of Active Proxy Portfolio Shares with components that do not satisfy the criteria set forth in this Commentary .01 or components other than those specified below. All statements or representations contained in such rule filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings, or (c) the applicability of Exchange listing rules specified in such rule filing will constitute continued listing requirements. An issuer of such securities must notify the Exchange of any failure to comply with such continued listing requirements.

- (a) The Actual Portfolio and Proxy Portfolio for a series of Active Proxy Portfolio Shares shall include only the following components:

- (1) U.S. exchange-traded securities that are common stocks; preferred stocks; American Depositary Receipts; and real estate investment trusts;
 - (2) Foreign common stocks that (1) are listed on a foreign exchange that is a member of the Intermarket Surveillance Group or with which the Exchange has in place a comprehensive surveillance sharing agreement; and (2) trade on such foreign exchange contemporaneously with shares of a series of Active Proxy Portfolio Shares in the Exchange's Core Trading Session;
 - (3) U.S. exchange-traded funds that are listed under the following rules: Investment Company Units (Rule 5.2-E(j)(3)); Exchange-Traded Fund Shares (Rule 5.2-E(j)(8)); Portfolio Depositary Receipts (Rule 8.100-E); Managed Fund Shares (Rule 8.600-E); Active Proxy Portfolio Shares (Rule 8.601-E); and Managed Portfolio Shares (Rule 8.900-E);
 - (4) Equity Gold Shares (Rule 5.2-E(j)(5));
 - (5) Index-Linked Securities (Rule 5.2-E(j)(6));
 - (6) Commodity-Based Trust Shares (Rule 8.201-E);
 - (7) Currency Trust Shares (Rule 8.202-E);
 - (8) the following securities, which are required to be organized as commodity pools: Commodity Index Trust Shares (Rule 8.203-E); Commodity Futures Trust Shares (Rule 8.204-E); Trust Units (Rule 8.500-E); and Managed Trust Securities (Rule 8.700-E);
 - (9) the following securities if organized as commodity pools: Trust Issued Receipts (Rule 8.200-E) and Partnership Units (Rule 8.300-E);
 - (10) U.S. exchange-traded futures that trade contemporaneously with shares of a series of Active Proxy Portfolio Shares in the Exchange's Core Trading Session; and
 - (11) Cash and cash equivalents. Cash equivalents are the following: short-term U.S. Treasury securities, government money market funds, and repurchase agreements.
- (b) A series of Active Proxy Portfolio Shares will not hold short positions in securities and other financial instruments referenced in Commentary .01(a)(1)-(11) above.
- (c) The securities referenced in Commentary .01(a)(3)-(9) above shall include securities listed on another national securities exchange pursuant to substantially equivalent listing rules.

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