

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

Trading of Certain Equity Derivatives

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Rule 8.601-E. Managed Portfolio Securities

(a) The Exchange shall consider for trading, whether by listing or pursuant to unlisted trading privileges, Managed Portfolio Securities that meet the criteria of this Rule.

(b) Applicability. This Rule is applicable only to Managed Portfolio Securities. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Managed Portfolio Securities are included within the definition of “security” or “securities” as such terms are used in the Rules of the Exchange.

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

(1) Managed Portfolio Securities. The term “Managed Portfolio Security” means a security that (a) is issued by a registered investment company (“Investment Company”) organized as an open-end management investment company that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies; (b) is issued in a specified aggregate minimum number of shares equal to a Creation Unit, or multiples thereof, in return for a deposit by the purchaser of the Proxy Portfolio and/or cash, and (c) when aggregated in the same specified minimum number of shares, or multiples thereof, may be redeemed at a holder’s request in return for a transfer of the Proxy Portfolio and/or cash to the holder by the issuer.

(2) Portfolio Positions. The term “Portfolio Positions” means the identities and quantities of the securities and other assets held by the Investment Company that,

shall form the basis for the Investment Company's calculation of net asset value ("NAV") at the end of the business day.

(3) Proxy Portfolio. The term "Proxy Portfolio" means a specified portfolio of securities, other financial instruments and/or cash that shall serve as the Managed Portfolio Share's identified hedging vehicle.

(4) Creation Unit. The term "Creation Unit" means a specified minimum number of Managed Portfolio Securities.

(5) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Portfolio Securities means the Exchange, an institution, or a reporting service designated by the issuer or by the exchange that lists a particular series of Managed Portfolio Securities (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Portfolio Positions; NAV; or other information relating to the issuance, redemption or trading of Managed Portfolio Securities. A series of Managed Portfolio Securities may have more than one Reporting Authority, each having different functions.

(6) 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 (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

(d) Initial and Continued Listing. Managed Portfolio Securities shall be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. Each series of Managed Portfolio Securities shall be listed and traded on the Exchange subject to application of the following initial listing criteria:

(A) For each series, the Exchange shall establish a minimum number of Managed Portfolio Securities required to be outstanding at the time of commencement of trading on the Exchange.

(B) The Exchange shall obtain a representation from the issuer of each series of Managed Portfolio Securities that the NAV per share for the series shall be calculated daily and that the NAV and the Portfolio Positions shall be made publicly available to all market participants at the same time.

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

(2) Continued Listing. Each series of Managed Portfolio Securities shall be listed and traded on the Exchange subject to application of the following continued listing criteria:

(A) Portfolio Positions.

(i) The Portfolio Positions shall be disseminated quarterly and shall be made publicly available to all market participants at the same time.

(B) Proxy Portfolio.

(i) The Proxy Portfolio shall be made publicly available each day.

(C) Suspension of trading or removal. The Exchange will maintain surveillance procedures for securities listed under this rule and will consider the suspension of trading in, and will commence delisting proceedings under Rule 5.5-E(m) for, a series of Managed Portfolio Securities under any of the following circumstances:

(i) if any of the continued listing requirements set forth in Rule 8.601-E are not continuously maintained;

(ii) if any of the statements or representations regarding (a) the description of the portfolio, (b) limitations on portfolio holdings, or (c) the applicability of Exchange listing rules, specified in the Exchange's rule filing pursuant to Section 19(b) of the Securities Exchange Act of 1934 to permit the listing and trading of a series of Managed Portfolio Securities, is not continuously maintained; or

(iii) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(D) Trading Halt. If a series of Managed Portfolio Securities is trading on the Exchange pursuant to unlisted trading privileges, the Exchange shall halt trading in that series as specified in Rule 7.18-E(d)(1). In addition, upon notification to the Exchange by the issuer of a series of Managed Portfolio Securities that the NAV with respect to a series of Managed Portfolio Securities is not disseminated to all market participants at the same time, the Exchange shall halt trading in such series until such time as the NAV is available to all market participants at the same time. The Exchange may also halt trading at the request of the investment adviser to a series of Managed Portfolio Securities upon notification to the Exchange that the securities representing 10% or more of the Portfolio Positions for such series do not have readily available market quotations, and during times of unusual market volatility where a significant portion of such series' Portfolio Positions are subject to a trading halt or have a last trade price that the investment adviser deems unreliable, if the investment adviser determines that it is in the best interest of such series.

(E) Termination. Upon termination of an Investment Company, the Exchange requires that Managed Portfolio Securities issued in connection with such entity be removed from Exchange listing.

(F) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus.

(e) Limitation of Exchange Liability. Neither the Exchange, the Reporting Authority, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current portfolio value; the current value of the portfolio of securities required to be deposited to the Investment Company in connection with issuance of Managed Portfolio Securities; the amount of any dividend equivalent payment or cash distribution to holders of Managed Portfolio Securities; NAV; or other information relating to the purchase, redemption, or trading of Managed Portfolio Securities, resulting from any negligent act or omission by the Exchange, the Reporting Authority or any agent of the Exchange, or any act, condition, or cause beyond the reasonable control of the Exchange, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

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 Managed Portfolio Securities. 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.

.02 Transactions in Managed Portfolio Securities shall occur during the trading hours specified in NYSE Arca Rule 7.34-E(a).

.03 Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Managed Portfolio Securities.

.04 If the investment adviser to the Investment Company issuing Managed Portfolio Securities is affiliated with a broker-dealer, such investment adviser will erect and maintain 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. Personnel who make decisions on the Investment Company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio.

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